

## EXHIBITS A



**10-CV-01423-OBJ**

Case 2:10-cv-01423-MJP Document 7-1 Filed 09/13/10 Page 2 of 53  
Chase/WaMu  
PO Box 78148  
Phoenix, AZ 85062-8148  
(866) 926-8937 Customer Care

WaMu is becoming CHASE

May 29, 2009



000098 01 of 02 ADT-ZZ 2009149  
SHELLEY A ERICKSON  
5421 PEARL AVE SE  
AUBURN WA 98092

*Important Call!*

Re: Account 697646826

*called soon after May 29-2009*

Temporary Coupons for Making Payments during your Trial Modification Period

Dear SHELLEY A ERICKSON:

According to our records we have recently sent you a Home Affordable Trial Modification package. If you have not already remitted the payments as detailed in that package, please use the temporary payment coupons enclosed with this letter. If you have already remitted some of the payments, please disregard the respective coupon for that month's payment but use the remaining coupon(s) going forward.

You may continue to receive your normal statement during this trial period, but please do not use it for making future payments. Once your modification is effective, normal billing statements reflecting the modified terms will resume.

If you make all [3] trial period payments on time and comply with all of the applicable program guidelines, you will have qualified for a final modification. However, there may be a period of time between your last trial payment and your first modification payment as we finalize the documents and get them back from you. During that interval, you should make a continuation payment at the trial period amount, and an extra coupon has been provided for that purpose. That payment will be applied as a principal reduction payment on your loan after your final modification is effective.

Our goal is to provide the highest level of quality service to each of our customers. If you have any questions, please contact Customer Care at (866) 926-8937.

We appreciate your business and value our relationship with you.

Sincerely,

JPMorgan Chase Bank, National Association, successor to Washington Mutual Bank

Enclosure

We are attempting to collect a debt. For customers who have received a discharge in bankruptcy, or who are subject to the protections of an automatic stay in a bankruptcy proceeding, this notice is for information only and is not a demand for payment.

Exhibit

October 28, 2009

027648 1 of 1 NSP0WMU - ZA 060000000000 XP831

Shelley A Erickson  
John E Erickson  
5421 Pearl Ave Se  
Auburn WA 98092

RE: Chase Loan No.: 0697646826

DEBT VALIDATION NOTICE

As of 10-28-09, your total outstanding debt for this loan is stated on the back of this Notice. Because of interest, late charges and other charges that may vary from day to day or that may change after the date of this notice, the amount due on the day you pay may be greater. Therefore, you may not rely on the amount shown on the back of this Notice to be sufficient to payoff your loan after the date of this Notice. You should contact the servicer at the address or telephone number below to verify the exact amount necessary to payoff your loan on the day you will deliver payment. Failure to do so may result in rejection of your payment. For your information:

- \* The creditor to whom this debt is owed is:  
Deutsche Bank Natl Trust
- \* Unless within (30) days after receiving this communication you notify us that the debt, or any portion or it, is disputed, the debt will be assumed by us to be valid.
- \* If within thirty (30) days after receiving this communication you notify us, in writing, that the debt, or any portion of it, is disputed, we will mail a verification of such debt to you.
- \* If within thirty (30) days after receiving this communication you make a request, in writing, you will be provided with the name and address of the original creditor, if other than the present creditor shown above.

The purpose of this communication is to collect the indebtedness due, or, in the alternative, to repossess the property that is the security of such debt.

THE INFORMATION ABOVE IS PROVIDED IN COMPLIANCE WITH THE FEDERAL FAIR DEBT COLLECTION PRACTICES ACT.

For questions or inquiries, please contact us at:

Chase Home Finance, LLC  
Customer Interaction Center  
P.O.Box 44118  
Jacksonville, FL 32231-4016  
1-800-848-9136  
1-904-886-5529

Exhibit 2

Re: Loan No.: 0697646826

As of October 28, 2009, the total amount of the outstanding debt is the following:

Current Total Unpaid Principal Balance	\$	465,047.67
Interest to 10-28-09	\$	17,426.35
Escrow/Impound Overdraft	\$	1,659.70
Buydown Subsidy/replacement Reserve Balance	\$	.00
Suspense Balance	\$	-1,411.72
Recoverable Balance	\$	.00
HUD Subsidy Balance	\$	.00
Restricted Escrow/Loss Draft Balance	\$	.00
Pro Rata MIP	\$	.00
Pro Rata PMI	\$	.00
Pro Rata Credit Life	\$	.00
Late Charges	\$	7,792.75
Total Outstanding Debt	\$	490,514.75

LA-XP831-014-#UM-102309

XP831

Exhibit 2a

## SPDJ LAW, INC., PS

1119 PACIFIC AVENUE, SUITE 1308  
TACOMA, WA 98402  
PH. 253-238-0868 FAX 253-238-0867

[WWW.SPDLAW.COM](http://WWW.SPDLAW.COM)  
WHERE CLIENTS COME FIRST, AND REAL ESTATE MATTERS.

SARAH L. SMALL POINT-DU-JOUR

SARAH@SPDLAW.COM

November 11, 2009

CHASE HOME FINANCE, LLC  
Customer Interaction Center  
P.O. Box 44118  
Jacksonville, FL 32231-4016

Re: Our Client(s): Shelley and John Erickson  
Our File No.: 10230

Dear Ladies and Gentlemen:

As I am sure you are aware, the Fair Debt Collection Act affords Mr. and Mrs. Erickson the right to dispute the validity of the debt or any part of it.

This letter is submitted to you within 30 days of 10-28-09 in order to dispute all of the debt described in your correspondence of October 28, 2009.

Federal law requires, at a minimum, that you to obtain and mail the following to my office:

1. The amount of the debt;
2. Proof of the debt and of its validity;
3. The name and address of the original creditor and current creditor, if the original creditor is different from the current creditor;
4. Provide a verification or copy of the original promissory note, deed of trust, assignments thereof, and judgment (if any);
5. Proof that you are licensed to collect debts in Washington State.

Said items must be provided at your expense. In the interim, you cannot add interest or fees except those authorized by the original promissory note or state law. Any further attempt to collect the debt without validating it violates the FDCPA.

If you have already reported this debt to any credit-reporting agency or Credit Bureau, you must immediately inform them of my clients' dispute with this debt.

Should you pursue a judgment without validating the debt, my clients will seek dismissal based on your failure(s) to comply with the FDCPA.

In addition, I request that you also send an account balance and an account history of all payments made, the interest rate, if any, together with the method of the payments' application.

Upon your receipt of this letter, please confirm that you will suspend all your efforts (through litigation, foreclosure or otherwise) to collect this debt until mailing the proof of the debt's validity and information about the creditors.

In accordance with the Fair Debt Collection Practices Act, Section 809(b): Validating Debts:

(b) If the consumer notifies the debt collector in writing within the thirty-day period described in subsection (a) that the debt, or any portion thereof, is disputed, or that the consumer requests the name and address of the original creditor, the debt collector shall cease collection of the debt, or any disputed portion thereof, until the debt collector obtains verification of the debt or any copy of a judgment, or the name and address of the original creditor, and a copy of such verification or judgment, or name and address of the original creditor, is mailed to the consumer by the debt collector.

Finally, if you do not own this debt, my clients demand that you immediately send a copy of this dispute letter to the original creditor so that they are aware of my clients' dispute with this debt.

Best Regards



Sarah L. Small Point-Du-Jour  
Attorney at Law

SP  
Via Certified and Regular Mail  
cc: clients

APPROVED AND ALSO SIGNED BY:

  
SHELLEY ERICKSON

Date 11-10-09

  
JOHN ERICKSON

Date 11/10/09

3a

— Original Message —

From: "Sarah L Small Point-du-Jour" <SARAH@SPDJLAW.COM>  
To: Shelleytotalbodyworks@comcast.net  
Sent: Monday, June 7, 2010 12:34:40 PM GMT -08:00 US/Canada Pacific  
Subject: Re: PLEASE SEND DISPUTE ANSWER

Hi Shelley, Here is the letter. I don't remember any response coming. I will double check, but still need to pull out your closed file. If I find something, we'll forward it. The file should also have the signed certified receipt, and I can do a declaration of mailing if necessary.

Sarah

On Jun 4, 2010, at 5:15 PM, [Shelleystotalbodyworks@comcast.net](mailto:Shelleystotalbodyworks@comcast.net) wrote:

I assume there was no answer. So now I need the proof you mailed the letter of dispute. Sent to me personally so I can file a dispute with the King County Records Department.

e— Original Message —

From: "Sarah L Small Point-Du-Jour" <SARAH@SPDJLAW.COM>  
To: [Shelleystotalbodyworks@comcast.net](mailto:Shelleystotalbodyworks@comcast.net)  
Sent: Tuesday, May 25, 2010 3:32:32 PM GMT -08:00 US/Canada Pacific  
Subject: Re: PLEASE SEND DISPUTE ANSWER

Hi Shelley,

I will have to pull your file. We will let you know if we got a response and forward it if there is one.

SP

On May 25, 2010, at 3:19 PM, [Shelleystotalbodyworks@comcast.net](mailto:Shelleystotalbodyworks@comcast.net) wrote:

Please send me any answer you recieved from my supposed mortgage servicing or mortgage company. As far as I know they never responded to the dispute letter you sent for me. Please send me proof of service for the mailing of this dispute letter also. Please send by e-mail.

Shelley Erickson/206-255-6324

Sarah L. Small Point-Du-Jour

SPDJ Law, Inc., PS  
1119 Pacific Avenue Suite 1308  
Tacoma, WA 98402  
ph. 253-238-0868 fax 253-238-0867

3b

USPS - Track &amp; Confirm

<http://trackconfirm1.smi.usps.com/PTSIInternetWeb/InterLabelInqui...>[Home](#) | [Help](#) | [Sign In](#)[Track & Confirm](#)[FAQs](#)

## Track & Confirm

### Search Results

Label/Receipt Number: 7007 2560 0000 1809 4988

Status: Delivered

Your item was delivered at 6:30 am on November 18, 2009 in JACKSONVILLE, FL 32231. A proof of delivery record may be available through your local Post Office for a fee.

Additional information for this item is stored in files offline.

[Restore Offline Details >](#)[Return to USPS.com Home >](#)

### Track & Confirm

Enter Label/Receipt Number.

[Go >](#)[Site Map](#)[Customer Service](#)[Forms](#)[Gov't Services](#)[Careers](#)[Privacy Policy](#)[Terms of Use](#)[Business Customer Gateway](#)

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No FEAR Act EEO Data

FOIA

The Address List  
Information for MailThe Address List  
Information for Mail

U.S. Postal Service™	
<b>CERTIFIED MAIL™ RECEIPT</b>	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
7007 2560 0000 1809 4988	
Postage	\$ .44
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$5.54
Postmark Here	
Sent to CHASE HOME FINANCIAL	
Street, Apt. No., or PO Box No. PO BOX 44118	
City, State, ZIP+4 JACKSONVILLE FL 32231	
PS Form 3800, August 2008 See Reverse for Instructions	

3d



**SmartZone Communications Center**

Shelleystotalbodyworks@comcast.net

Font size

**U.S. Postal Service Track & Confirm email Restoration - 7007  
2560 0000 1809 4988**

From : U.S. Postal Service\_ &lt;U.S. Postal\_Service@usps.com&gt;

Wed Jun 30 2010 14:42:19

Subject : U.S. Postal Service Track &amp; Confirm email Restoration - 7007 2560 0000 1809 4988

To : shelleystotalbodyworks@comcast.net

This is a post-only message. Please do not respond.

Shelley Erickson has requested that you receive this restoration information for Track &amp; Confirm as listed below.

Current Track &amp; Confirm e-mail information provided by the U.S. Postal Service.

Label Number: 7007 2560 0000 1809 4988

Service Type: Certified Mail(TM)

Shipment Activity	Location	Date & Time
Delivered	JACKSONVILLE FL 32231	11/16/09 6:30am
Arrival at Unit	JACKSONVILLE FL 32203	11/16/09 4:26am

USPS has not verified the validity of any email addresses submitted via its online Track &amp; Confirm tool.

For more information, or if you have additional questions on Track & Confirm services and features, please visit the Frequently Asked Questions (FAQs) section of our Track & Confirm site at <http://www.usps.com/shipping/trackandconfirmfaq.htm>



# MORTGAGE SERVICING FRAUD

[www.msFraud.org](http://www.msFraud.org)

## The Fraudsters & Co-conspirators

Mortgage Subservicing  
Mortgage Loan Servicing Platform No  
Minimum Limits, All Loan Types  
[www.graystonesolutions.com](http://www.graystonesolutions.com)

Refinance at 4.1% FIXED  
\$180,000 mortgage for \$533/mo. No SSN  
req. Get 4 Free Quotes Now!  
[MortgageRefinance.LendGo.com](http://MortgageRefinance.LendGo.com)

Mortgage Modification  
Modify Bank America Home Mortgage  
Help Center Online or 888-496-5665  
[www.PaymentHelp.org](http://www.PaymentHelp.org)

Fixed Rate Mortgage Loans  
\$200,000 for Only \$1,059/month Fixed  
Rate for Life at LendingTree  
[www.LendingTree.com](http://www.LendingTree.com)

*The list of problem companies and those aiding in the concealment of their crimes is so vast we can't possibly list them all.  
If you wish to have a company listed, you must submit documented proof of wrongdoing with your request.*

Ablitt Law Offices, P.C.  
Account Portfolios  
Accredited Home Lenders  
ACORN  
Adler & Associates  
Aegis Mortgage  
AIG  
Alegis Group  
Alliance Mortgage Group  
AllianceOne Receivables Management  
AllianceOne, Inc.  
Allied Home Mortgage Capital  
Allied Interstate  
All State Mortgage Lender  
ALLTEL  
Altegra Credit Company  
Alternative Home Financing  
Aman Collection Service  
AMC (Ameriquest)  
American Alliance for Loan Management  
American Coradius  
American General Finance  
American Home Modifications  
American Recovery Systems  
American Revenue  
American Servicing Company  
America's Mortgage Banc  
American Legal Process  
America's Servicing Company  
Ameri-CK  
Ameridebt  
Amerifund Home Mortgage  
Ameriquest Mortgage  
Amerix  
AmNet Mortgage  
AMO Recoveries,  
Asset Management Outsourcing  
Appletree Mortgage  
Argent Mortgage (Ameriquest)  
Arrow Financial Services  
Ashwood Financial  
Asset Acceptance Capital Corp  
Asset Acceptance Corporation  
Asset Protection & Recovery Solutions, L.L.C.  
Associated Recovery Systems/ ARS National Services  
Associates (Citigroup)  
Atlantic Credit & Finance  
Aurora Loan Servicing  
Balboa Insurance  
Banc Boston Mortgage  
Bank of America  
Bank of New York  
Bank One/Banc One

Greentree Financial  
GreenPoint Mortgage  
Guaranty Bank  
Guaranty Residential Lending  
Guaranty Residential Mortgage Corporation  
Gulf State Credit  
Guyer & Erichen  
H&R Block Mortgage  
Hammer Financial (Illinois)  
Harmon Law Offices, P.C.  
Harris & Harris  
Harvard Collection Services  
Heady Financial  
HFC (Home Funding Corp.)  
Hibernia  
Hirsch & Westheimer  
Holland & Knight  
HomeBanc Mortgage  
Homecomings Financial (GMAC)  
Homecomings Financial Network  
HomeEq (Wachovia/Money Store)  
Homeloan Management Ltd  
Homeq Servicing Corp.  
HomeSavers USA  
Homeside Lending (WAMU-Washington Mutual)  
Homestar Mortgage  
Household / Beneficial  
Household Finance  
Housing Assistance Services, Inc. (HAS)  
HSBC  
Hunt Leibert  
I.C. System  
Illinois Collection Services  
IMC Mortgage  
IndyMac Bank  
Innovis  
IntelliRisk  
Irwin Home Equity  
Irwin Union Bank & Trust  
J. C. Christensen & Associates  
JBC Legal Group (Boyajian)  
Jessie Riddle & Associates  
Johnson, Rodenburg & Lauinger  
Jones Day  
J. P. Morgan/Chase  
KCA Financial Services  
Kramer & Frank  
KeyBank  
LaSalle Bank (ABN Amro)  
Leader Mortgage  
Lehman Brothers  
Lenahan Law Offices  
Lending Tree

4

Bank One / Banc One

Bank United

Bankers Trust of California

Barrett - Burke

Baum Law Firm

Bayview Financial LP

Bear Stearns

Bear Stearns Mortgage (a.k.a. EMC Mortgage)

Beneficial

Beneficial Financial Services

Bennett &amp; Deloney

Bernard L. Madoff Investment Securities LLC

Best Interest Rate Mortgage Company

Bierman, Geesing &amp; Ward, LLC

Blatt, Hasenmiller

Blitt &amp; Gaines

Bonded Collection Corporation

Boudreau &amp; Associates

Bowman, Heintz

The Law Office of Brett Margolin PC

Bronson &amp; Migliaccio, LLP

Brice, Vander Linden &amp; Wernick P.C.

Buchalter Nemer Fields &amp; Younger

Bureaus Investment

Burke, Costanza &amp; Cuppy

Calmco / Olympus

Cambridge Credit

Cambridge Credit Counseling

Capital City Mortgage

Capital Management Services

Capital Mortgage Services

Capitol Credit Service (Madison, WI)

Cavalry

C-BASS (Lifton Loan Servicing)

CBE Group

CCB Credit Services

Celink

Cendant Mortgage

Cenlar F.S.B.

Centex Home Equity

Central Pacific Mortgage

Certegey

CFIC Home Mortgage

Chase Financial Funding

Chase Manhattan Mortgage

Chase Mortgage

Chex Systems

CitiCorp Mortgage

CitiFinancial Mortgage

CitiMortgage

City Finance (Washington Mutual)

Client Services, Inc.

Coalition for Fair and Affordable Housing

Coldata

Collect America, LTD

Collectcorp

Collection Associates

Collins Financial

Comerica Bank

Commercial Credit

Conseco

Consumer Credit Counseling

Consumer Data Industry Association

ConsumerInfo.com

ContiMortgage

Conti-Mortgage

Continental Services

Countrywide Mortgage

Credit Bureau Enterprises

Credit Collection Service

Credit Management Services

Credit Protection Association

Creditors' Alliance

Creditors Interchange

Lerner, Sampson &amp; Rothfuss

Liberty Mortgage

Litton Loan Servicing

Loan Arranger (broker)

Loan Giant

Long Beach Mortgage

LTD Financial Services

Luminent Mortgage Capital

M.R.S. Associates

Macey, Wilensky, Cohen

Malcolm S. Gerald &amp; Associates

Maverick Acquisition Corp.

McMahan &amp; Sigunick

MEDCLR

Medical Collection System/ Robert Mistovich

Mercantile Mortgage

Meritage Mortgage

Meritech Mortgage (formerly Saxon)

Merrill Lynch

Merrill Lynch Mortgage

MERS (Mortgage Electronic Registration Services)

Metropolitan Mortgage

MGIC

MidFirst Bank

Midland Credit Management/ MCM

Midland Mortgage

MKM Acquisitions

Morgan Stanley

Mortgage Lenders Network (MLNUSA)

MortgageIT

Moss, Codillis, Stawarski, Morris, Schneider &amp; Prior

Mozilo, Angelo

MRS Associates

National Action Financial Services

National Asset Management Enterprises

National Asset Recovery Services

National City (Altegra)

National Enterprise Systems

National Financial Systems

Nations Credit

NationsBanc/Nationsbank

Nationwide Credit

Nationwide Modification Agency Inc

NB Lending

NCO

NCO Financial Systems

NCO Group

Network Mortgage Servicing

New Century Financial Services, Inc.

New Century Mortgage

North Fork Bank (GreenTree)

Northland Group

NorWest Mortgage

Novastar

Ocwen/ Ocwen Federal Bank/ Ocwen Financial

Olympus Mortgage (Ameriquest)

Olympus Servicing

Option One Mortgage (H&amp;R Block)

Option One Mortgage (Irvine, Ca.)

Origen

Outsourcing Solutions (OSI)

Pacific Republic Mortgage

PCFS Mortgage Resources

People's Choice Home Loan

Perry Homes

Peters and Freedman

PHH Mortgage

Phillips &amp; Cohen Associates, Ltd.

Pioneer Credit Recovery

Platinum Financial Services

Platinum Home Mortgage

Plaza Associates

PMI Group

12/26/2009

The Fraudsters &amp; Co-conspirators

Creditors Interchange	PMI Group
Credit Suisse First Boston	Portfolio Recovery Associates
Creve Coeur Mortgage	Portfolio Recovery Services
Cross Country Bank	PRA III, LLC
Crossland Mortgage	Principal Residential Mortgage
CSFB	Pro Com Services
CTX Mortgage Co.	Professional Credit Management
D&B Receivables Management	Professional Recovery Systems
DebtOne	Protocol Recovery Service
Debtworks	Provident Bank
Decision One Mortgage	Quicken Loans
Delta Financial	Quality Loan Service
Deutsche Trust (Bankers Trust)	RBMG
DiTech Funding (.com)	Receivables Management Solutions
Ditech.com	Redline Recovery Services
Diversified Adjustment Services	Regent & Associates
DLJ Mortgage Acceptance	Rels Valuation
Dovenmuehle Mortgage	Renaissance Mortgage Acceptance
Draper, Goldberg	Residential Loan Centers of America
Dun & Bradstreet RMS	Revenue Management
DUNSCOMM	Revenue Production Management, Inc. (RPM)
Dymacol	Risk Management Alternatives
eAppriaseIT	RJM (Fingerhut)
EMC Mortgage Corporation	RRReview, Inc
Emerald Home Loan	RX Financial
EMPIRE MORTGAGE	Saxon Mortgage
Encore Capital Group	Sagres Co.
Encore Receivable	Salvatore Spinelli
Entrust Financial Services	Saxon Mortgage Services
Epstein & Frisch	Schreiber & Associates of Danvers, Massachusetts
Equicredit (NationsBank n.k.a. Bank of America)	Schwartz & Schwartz
Equifirst	Security Finance Corporation of Oklahoma
Equity One	Security National Servicing
ER Systems	Select Portfolio Servicing - SPS (formerly Fairbanks Capital)
E*Trade Bank	Settleware.com
Everest Consumer Svcs.	Shapiro & Kreisman
Everhome	Sherman Acquisitions / Alegis
	Southwest Credit Corp.
Experian	Summit Mortgage
Fairbanks Capital (nka - Select Portfolio Servicing (SPS))	Sunrise Credit Services
FBGS (Philadelphia, PA)	Suntrust Mortgage
Federal Loan Modification Law Center and Federal Loan Modification	Superior Bank
Ferleger & Associates	Surpas Resource Corporation
FedMod	Taylor, Bean & Whitaker Mortgage Corp.
Fidelity	Tate & Kirlin Associates
Fieldstone Mortgage	Temple Inland Mortgage
Fifth Third Bank	The Associates
Finance America	Town and Country Credit
Financial Asset Management	TranSouth Financial Corporation
Financial Credit Corporation	Transworld
Financial Recovery Services	Trauner, Cohen & Thomas
Financial Resources Mortgage Inc.	U. S. Bank
First Alliance	Unifund
First Alliance Mortgage	Unifund Group
First American Investment Company	United Financial Mortgage
First Beneficial Mortgage	Universal Fidelity Corporation
First Capital Mortgage	Upland Mortgage
First Franklin Financial (NCFS)	Valentine & Kebartas
First Horizon	Van Ru Credit
First Horizon Home LoanL	Wachovia Bank
First Metropolitan Mortgage	Walinski & Trunkett
First Nationwide Mortgage	Walsh Securities Inc.
First NLC Financial Services	Washington Mutual (WAMU)
First Pacific Corp.	Wells Fargo
First Performance Recovery	Weltman, Weinberg
First Residential Mortgage (Louisville, KY)	Wendover Financial Services/
First Select Corporation	Weyerhaeuser Mortgage Co. (WMC)
FlexPoint Funding (HomeFirst)	Williams & Williams
FLM Law Center LLP	Wilshire Credit Corp
Florida Default Law Group	WMC Mortgage
FMA Enterprises	Wolpoff & Abramson
ForeclosureLink	World Wide Financial Services
Fourscore	Worldwide Asset Management
	Worldwide Asset Purchasing

Four score	The Fraudsters & Con Artists	Worldwide Asset Purchasing
Franklin Credit Management		Worldwide Financial Resources
Franklin Credit Management (FCMC)		Worldzen
Freddie Mac/Fannie Mae		Znet Financial
Freemont Investment & Loan		Zwicker & Associates
Fulbright & Jaworski		
Full Spectrum Lending		
FSA		
Gateway Bank		
GC Services		
GE Capital		
GE Consumer Finance		
Gerald E. Moore & Associates		
GMAC or GMAC Mortgage Corp.		
Goldman Sachs		
Grabowski & Greene		
Greatstone		
Green Light Financial		

[Link to old animated Fraudster Page](#)

Please use the temporary coupons below during your trial modification period and be sure to include your loan number on your check. If you have already remitted some payments or have set up electronic payments for future payments under the trial plan, please disregard these temporary coupon(s) for those months.

If you prefer to make your payment by phone, or have any questions about these temporary coupons, please call us at (866) 926-8937. During your trial modification period, we are waiving any telephone payment fees and can schedule your payments in advance to help make it easier to keep your trial plan current. If your loan is in foreclosure, certified funds are required.

Additionally, you may not receive statements during the trial modification months. Normal billing statements reflecting the modified terms will resume once your trial modification is effective.

(cut here)

----- ✂  
Trial Period Payment #4 (Modification Continuation Payment)

SHELLEY A ERICKSON  
Loan Number: 697646826  
Payment Due: \$3224.00  
Due Date: 9/1/2009

*June*  
Chase/WaMu Payment Processing  
PO Box 78148  
Phoenix, AZ 85062-8148

For customers who have received a discharge in bankruptcy, or who are subject to the protections of an automatic stay in a bankruptcy proceeding, this notice is for information only and is not a demand for payment.

(cut here)

----- ✂  
Trial Period Payment #3

SHELLEY A ERICKSON  
Loan Number: 697646826  
Payment Due: \$3224.00  
Due Date: 8/1/2009

*July*  
Chase/WaMu Payment Processing  
PO Box 78148  
Phoenix, AZ 85062-8148

For customers who have received a discharge in bankruptcy, or who are subject to the protections of an automatic stay in a bankruptcy proceeding, this notice is for information only and is not a demand for payment.

(cut here)

----- ✂  
Trial Period Payment #2

SHELLEY A ERICKSON  
Loan Number: 697646826  
Payment Due: \$3224.00  
Due Date: 7/1/2009

*Aug*  
Chase/WaMu Payment Processing  
PO Box 78148  
Phoenix, AZ 85062-8148

For customers who have received a discharge in bankruptcy, or who are subject to the protections of an automatic stay in a bankruptcy proceeding, this notice is for information only and is not a demand for payment.

(cut here)

----- ✂  
Trial Period Payment #1

SHELLEY A ERICKSON  
Loan Number: 697646826  
Payment Due: \$3224.00  
Due Date: 6/1/2009

*Sept*  
Chase/WaMu Payment Processing  
PO Box 78148  
Phoenix, AZ 85062-8148

For customers who have received a discharge in bankruptcy, or who are subject to the protections of an automatic stay in a bankruptcy proceeding, this notice is for information only and is not a demand for payment.

Exhibit 5



## WaMu is becoming CHASE

Washington Mutual (CA2-4299)  
9200 Oakdale Avenue  
Chatsworth, CA 91311

October 13, 2009

SHELLEY A ERICKSON  
JOHN E ERICKSON  
5421 PEARL AVE SE  
AUBURN WA 98092

### Statement of Eligibility for Loan Modification

Account: 0697646826

Property Address: 5421 PEARL AVE SE  
AUBURN WA 98092

Dear Mortgagor(s):

Washington Mutual is writing in response to your recent request regarding a loan modification on the above-referenced account through the Making Home Affordable (MHA) program and or Chase Modification Program (CMP). After researching your account, we have determined that you do not qualify for a modification under the MHA program and or Chase Modification Program (CMP) at this time for the following reason(s):

- Your income is insufficient for the amount of credit you have requested.

If your Loan is delinquent, we may be able to offer other alternatives to help avoid the negative impact a possible foreclosure may have on your credit rating, the risk of a deficiency judgment being filed against you, and the possible adverse tax effects of a foreclosure on your Property. If you are interested in discussing these possible alternatives, please contact us immediately at (866) 926-8937.

Our credit decision was based in whole or in part on information obtained in a report from the consumer reporting agency listed below. The reporting agency played no part in our decision and is unable to supply specific reasons why we have denied credit to you. You have a right to receive a free copy of your report from the reporting agency, if you request it no later than sixty (60) days after you receive this notice. In addition, if you find that any information contained in the report you receive is inaccurate or incomplete, you have the right to dispute the matter with the reporting agency by contacting the agency at the number provided below:

Equifax: PO BOX 740241  
Atlanta, GA 30374-0241  
(800) 685-1111

FEDERAL ECOA NOTICE

Exhibit 6

# Target grows on Goldman Sachs' back

**RESULT OF FEDERAL SUIT**  
**Other investors looking at how Goldman set up its money-losing deals**

**BY LOUISE STORY AND GRETCHEN MORGENSEN**  
*The New York Times*

For Goldman Sachs, it was a relatively small transaction. But for the investment bank — and the rest of Wall Street — the stakes couldn't be higher.

Accusations that Goldman defrauded customers who bought investments tied to risky subprime mortgages have only just begun to reverberate through the financial world.

The civil lawsuit filed against Goldman on Friday by the U.S. Securities and Exchange Commission (SEC) seemed to confirm many Americans' worst suspicions about Wall Street: that the game is rigged, the odds stacked in the banks' favor. It is the first big case — but probably not the last, legal experts said — to delve into a Wall Street firm's role in the mortgage fiasco.

It is a particularly sensitive time for Wall Street. Washington, D.C., policy makers are debating a sweeping overhaul of the nation's financial regulations, and the news could embolden those seeking to rein in the banks. President Obama on Saturday stepped up pressure for a financial overhaul by accusing Republicans of "cynical and deceptive" attacks on the measure.

The SEC's action could hit Wall Street where it really hurts: and, at times, seemingly conflicted role in the mortgage meltdown. Goldman and others worked behind the scenes, bundling home loans into investments for sale to investors the world over. Even now, more than 18 months after the federal government rescued the teetering financial system, no one knows for sure how much money was lost on those investments.

The public outcry against the bank bailouts was driven in part by suspicions that a heads-we-win, tails-you-lose ethos pervades the financial industry.

To many, that Goldman and others are once again milking money — and paying big bonuses to their employees — is evidence Wall Street got a sweet deal at taxpayers' expense. The accusations against Goldman may only further those suspicions.

"The SEC suit against Goldman, if proven true, will confirm to people their suspicions about the total selfishness of these financial institutions," said Steve Fraser, a Wall Street historian and author of "Wall Street: America's Dream Palace."

"There's nothing more damaging than that. This is way beyond recklessness. This is way beyond incompetence. This is cynical, selfish exploiting."

Goldman's stock took a beating Friday, falling 13 percent and wiping out more than \$10 billion of the company's market value. It was a possible sign that investors fear the SEC complaint will damage Goldman's reputation and its ability to keep its hands on so many sides of a trade, a practice that is immensely profitable for the firm.



CHRIS HONDROS / GETTY IMAGES

Wall Street analysts said Goldman Sachs and other big Wall Street banks might be facing a new kind of risk: angry investors demanding background details on how their investments went south.

“Any investor who bought these CDOs and lost a significant amount of money is probably looking at their investment and wanting to know: what were the details behind the sale?”

WILLIAM TANONIA  
 analyst at Collins Stewart

litigations, which are at the heart of the Goldman case. CDOs, which are essentially bundles of securities backed by mortgages or other debt securities, turned out to be among the most toxic investments ever devised.

money from Goldman.

The German bank IKB Deutsche Industriebank, as well as the German government, which in 2007 put up billions to prevent IKB from collapsing, still seemed to be sorting out who might have legal standing to pursue a possible claim.

Wall Street firms tend to settle cases like this one, but Goldman on Friday indicated it intended to fight, perhaps in part to discourage suits by investors. But that strategy could set it up for a drawn-out, messy and public battle.

The SEC complaint named just one Goldman employee: Fabrice Tourre, a vice president in the

fense lawyer in New York. “Is it really conceivable that no one else was involved in this?”

As the housing market began to fracture in 2007, senior Goldman executives began overseeing the mortgage department closely, according to four former Goldman Sachs employees, who spoke on the condition of anonymity.

Senior executives routinely visited the unit. Among them were David Viniar, the chief financial officer; Gary Cohn, the president; and Pablo Salame, a sales and trading executive, these former employees said. Even Goldman's chief executive, Lloyd Blankfein, got involved.

Top executives met routinely with Dan Sparks, head of the mortgage trading unit, who retired in spring 2008. Managers instructed several traders to sell housing-related investments. Indeed, they urged Tourre and a colleague, Jonathan Egol, to place more bets against mortgage investments, the former employees said.

A Goldman spokesman said Saturday that the top executives were not involved in the approval process for the deal cited by the SEC's fraud suit, and that their involvement with the mortgage department in 2007 was related to their desire to counterbalance the positive bets on housing the banks already had made.

Blankfein has been questioned by a congressional commission about the toxic vehicles Goldman devised and sold, even as the bank realized the housing market was in trouble.

Recent public statements made





# THE NEWS TRIBUNE

FRIDAY, APRIL 16, 2009

SOUTH SOUND

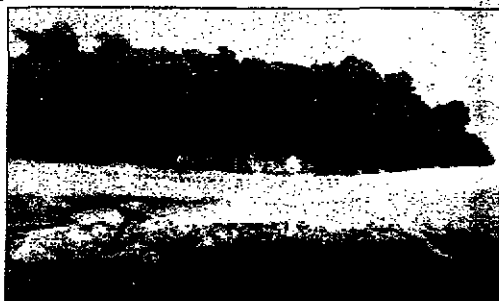
## TODAY'S WEATHER

**NICE BUT WET:** Partly sunny with afternoon showers.

High: 68. Low: 45.

Details, B8

## IN THE NEWS



### Volcanic ash cloud disrupts air traffic

The eruption of a volcano in Iceland has disrupted air travel around the world – including at Sea-Tac – as the ash cloud drifted into European airspace.

SEE STORIES, PAGES A10, A12.

### Ex-Lakewood man gets death sentence

A former Lakewood man has been sentenced by a military jury to die for the murders of a North Carolina mother and her two children in 1985.

SEE STORY, PAGE A6.

### That's our boy (skinny ties and all)

We're so proud of locally grown pro golfer Ryan Moore. His decent finish at the Masters. That hole-in-one at the same tourney. And, of course, his strong fashion ... courage.

SEE THE NOSE, PAGE A3.

### Federal law bumps into state law

A marijuana grower in Colorado made the mistake of bragging to a local television station about how he was going to make hundreds of thousands of dollars by growing weed in his basement. Then the feds came calling.



GUT  
KEEPS IT  
SIMPLE

SPORTS, B1

## WaMu failure blamed on lax fed oversight

**SUPERVISION:** Glaring problems found in 2002, Senate panel says

BY DANIEL WAGNER  
The Associated Press

WASHINGTON—Federal bank regulators failed to stop shoddy lending and excessive risk-taking at Washington Mutual Inc. for years because they were too chummy with WaMu executives, a Senate panel says.

WaMu's primary regulator, the Office of Thrift Supervision, failed to properly oversee the bank, according to a report released Thursday by the Permanent Subcommittee on Investigations. The OTS' lax oversight led to WaMu's failure, the biggest by a U.S. bank, the report says.

"OTS' failure to act allowed Washington Mutual to engage in unsafe and unsound practices that cost borrowers their homes, led to a loss of confidence in the bank and sent hundreds of billions of dollars of toxic mortgages into the financial system," contributors said.

Please see WAMU, back page

## TEA PARTY CROW

STATE CAPIT  
spending, tax

BY JORDAN SCHRADER  
Staff writer

Tea party activists Thursday spent the day in Olympia, Washington, protesting state and federal spending and leading state and nation – as well as reputation.

Opponents of the new law and the news of them and portrayed them as ers and some of the roughly 3 a tea party rally in Olympia with rallies in Seattle and hun on the day federal income tax

"There are some hate people

## Rappers' refrain: 'Cen-sus'





NDAY • APRIL 16, 2010

**WAMU**

CONTINUED FROM A1

ing to the financial crisis, the report says.

Panel chairman Sen. Carl Levin, D-Mich., says the OTS' chief, John Reich, called the bank his "biggest constituent" when preparing for a meeting with WaMu CEO Kerry Killinger.

Reich did not respond to calls for comment Thursday evening.

The panel released some findings of an investigation Thursday, in advance of a hearing it will hold today on regulatory oversight of WaMu. It will hear from former and current officials from OTS and the Federal Deposit Insurance Corp. Among them will be Reich, FDIC Chairman Sheila Bair and current OTS chief John Bowman.

Levin said the OTS was too forgiving with WaMu after agency regulators found glaring problems with its lending and risk management starting in 2002. He called the relationship a "clear conflict of inter-

est," since the OTS is funded by fees from regulated banks including WaMu.

WaMu's fees accounted for 12 to 15 percent of the OTS' budget, more than any other bank's, the report says.

The OTS oversaw WaMu "on a collaborative basis, not a regulatory basis," said Levin, who chairs the Permanent Subcommittee on Investigations.

WaMu was a major player in subprime mortgages between 2002 and 2008, when it failed and the government seized it at the height of the financial crisis. The staff report says OTS recognized major problems at WaMu starting in 2002 but relied on the bank to correct the issues voluntarily. WaMu repeatedly failed to do so, but the OTS never forced a change, the report says.

Fueled by the housing boom, Washington Mutual's sales to investors of subprime mortgage securities leapt from \$2.5 billion in 2000 to \$29 billion in 2006. The 119-year-old thrift, with \$307 billion in assets, was sold for \$1.9 billion to JPMorgan Chase & Co. in a deal brokered by the

FDIC.

The FDIC administers the fund that insures regular bank deposits and has backup oversight of all insured banks. The agency was critical of WaMu's practices and pressed the OTS to take tougher action, the report says. It says OTS blocked the FDIC's efforts to perform its own examinations.

A separate report issued jointly by the inspectors general of the Treasury Department and the FDIC faulted the two agencies for inighting that delayed action. But it says OTS bears more blame because it blocked the FDIC's examiner from accessing information needed to assess the bank's strength.

"OTS' supervision did not adequately ensure that WaMu corrected those problems early enough to prevent a failure of the institution," the inspectors general wrote.

Former WaMu executives and regulators criticized the OTS' oversight in interviews Thursday.

"The regulators did not possess the



Killinger

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"Bought WaMu through with + shady deals as early as 2002."

# MU FROM AI

Financial crisis, the report says.

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Former WaMu executives and regulators criticized the OTS' oversight in interviews Tuesday.

"The regulators did not possess the



Killinger

right technical resources or expertise to oversee the complexity of institutions" like WaMu, said Clifford Rossi, a top risk officer at WaMu in 2007 who worked at OTS in the 1990s.

As a result, Rossi said, OTS provided "by far the softest" oversight of any federal bank regulator.

Committee staff said the FDIC could have gone further in using its backup authority to conduct its own examinations of WaMu. And Levin said the two agencies engaged in "a turf war" during the summer of 2008 as the financial crisis spread.

OTS spokesman William Ruberry said the OTS has adopted the inspectors' general's recommendation that it track examiners' reports more closely. He would not comment on the subcommittee findings, because he said the panel had not provided its report to the OTS.

At a hearing Tuesday, lawmakers

aimed tough questions at CEO Killinger and other former WaMu executives. Killinger rejected most of the accusations. He argued that WaMu was sold off rather than propped up by the government because it wasn't part of an elite club of Wall Street banks that he said influences the government.

Levin retorted Thursday that WaMu was part of another, equally dangerous club. Banks that chose to be regulated by the OTS to take advantage of its perceived lax oversight.

The hearings follow an 18-month investigation by the Senate Homeland Security and Governmental Affairs subcommittee. It found that WaMu's lending operations were rife with fraud, including fabricated loan documents. It also concluded that management failed to stem the deception despite internal probes.

Levin has said the panel will decide after the hearings whether to make a formal referral to the Justice Department for possible criminal prosecution.

## CENSUS

CONTINUED FROM A1

roads and other services will be divvied up according to population.

Their target is the so-called "hard-to-count" populations — largely people of color, poverty and low education.

An analysis of 2000 census data showed that about 14 percent of Washington's population lived in "hard-to-count areas," according to a group called The Census Project.

About 26.5 percent of Pierce County's 785,600 residents are minorities and about 11.3 percent of the population lives below the poverty line, according to 2008 estimates from the Census Bureau.





*This is the way the market works for people at the White House*

overdraft fees. All the stuff you have to do in your daily life to survive economically. This is an industry where the business model has fundamentally changed. Back in 1980 the credit-card agreement for Bank of America would have fit on one sheet of paper. Terms were clear. They figured—well, here's your creditworthiness, and here's what we have to charge. We're a little worried about inflation, how much it's going to cost us to monitor this, so we'd better make a little profit. It worked, right? Mortgages were set up pretty much the same way; car loans, too. Then we got rid of usury laws. And the credit-card folks said, you know, we could just hold up one or two things in front of you: low, low financing—7.9%. We could hold up free gifts. We could hold up a warm and fuzzy relationship. And then we could put what are called in the trade revenue enhancers back in the fine print, and we could make a lot of money because you won't figure out what this product costs. So that one-



Bloated, inefficient, and either ignored and ineffective or captured by the large financial institutions. [This is] the regulatory system we've got now. It works very well for the large financial institutions because it means no effective regulation. What I want is to take this agency out of those seven agencies, shrink it down, and make it effective. You've got to have an agency that's ultimately independent, whether it's

located within the Fed, within Treasury, within the Department of Agriculture, or whether it sits in its own separate place. The key

is whether or not it is functionally independent. Does it write its own rules? Does it enforce those rules and does it have access to a budget that's independent of the folks who want to smother it?

What do you think will happen? Politics is already happening, Charlie. Let's be clear where we are. This is an agency that just makes sense. This isn't liberal or conservative. This isn't a division of ideology. This is about bank lobbyists. This is about people who are paid professionally to kill this agency so they can protect the

revenues of Wall Street banks.

Are Dodd and Coker serving the interests of the bank lobby?

Well, we'll know when this bill comes out of Congress.

As part of overall financial reform, where do you put the significance of the agency?

The tip of the spear in the sense that this is where our financial crisis started: one lousy mortgage at a time; one family who got tricked, cheated at a time. Then those risks were sliced, diced, and put into all kinds of fancy financial instruments that made billions for Wall Street banks and then [crashed] the whole system.

Are you in favor of the so-called Volcker Rule that suggests commercial banks shouldn't engage in proprietary trading, owning hedge funds, owning private equity firms. I like Volcker, but I think it has to be a little bigger. The idea behind it is if you're going to take deposits, if you're going to be one of our guaranteed institutions, then there is a range of interconnected financial activities that have to be more carefully examined: defaults and swaps and derivatives. We can't let a nonbank pull the whole game down.

What else do you want to see in a regulatory bill?

We started at families. The other end is too big to fail. [We need] a Chapter 11 system, whatever we want to call it, a part of the legal structure that permits us as a people to say with real credibility: I don't care what your business is. I don't care how big you are, how intertwined you are. If you make bad enough decisions, you can be liquidated. Your shareholders wiped out and top management fired. [SW]

Watch Charlie Rose on Bloomberg TV weeknights at 8 p.m. and 10 p.m.

## I DON'T CARE HOW BIG YOU ARE ... IF YOU MAKE BAD ENOUGH DECISIONS, YOU CAN BE LIQUIDATED

page credit-card agreement in 1980 has now grown to about 30 pages. And it's not just 30 pages, it's 30 pages of incomprehensible fine print.

Even though you say it's not about real estate, do you have a preference where this agency should be? Standing alone.

A whole new bureaucracy even though the Fed has the tools to start doing it tomorrow?

There are seven bureaucracies in Washington right now that each own a piece of consumer financial protection.

*AND NOW THE BANKS  
want to steal our homes.*

YouWalkAway

Search



Let Your Story  
Be Heard  
Please join over  
30,000 members  
in our forum



DISCOVERED BY  
COUNTRYWIDE  
HOME LOANS, INC.  
Misrepresented...



Home Loan Help in  
Connecticut This  
Friday August  
5th...

HOME	FORUM	MORTGAGE	LOANS	REFINANCE	FORECLOSURE	REAL ESTATE	RENT	DEBT & CREDIT	CALCULATORS	RATES	NEWS	JOIN US
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Mortgage Forum - LoanSafe.org > Mortgage Advice > Chase Mortgage - Tell Us Your Chase Story  
Chase HAMP Denied - class action for fraud?

User Name  User Name ☐ Remember Me?  
Password

**Official HAMP Help**  
Save Your Home & Reduce Pmts  
50% Find Out Instantly If You  
Qualify.  
[www.usmortgagerelief.org/Obama-Plan](http://www.usmortgagerelief.org/Obama-Plan)

**Countrywide Settlement**  
Official data settlement website.  
Questions? Call 1-866-940-3612.  
[www.CWdataclaims.com](http://www.CWdataclaims.com)

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## Featured

## Ads by Google

Chase Settlement  
Fraud Investigators  
Mortgage Litigation  
Lending Fraud



**Chase Mortgage - Tell Us Your Chase Story** Chase Mortgage and Chase Home Finance are and were huge lenders. We are getting a lot of traffic from people looking for help with their adjustable rate loans. This section will help you deal with this corporate giant where people are starting to get lost in their loss mitigation system.

This is a discussion on Chase HAMP Denied - class action for fraud? within the Chase Mortgage - Tell Us Your Chase Story forums, part of the Mortgage Advice category; I am 16 months into a Chase HAMP trial modification, am a perfect candidate for a modification (I make sufficient ...

Ads by Google Fraud Investigation IRS Fraud Loan Foreclosure Fraud Insurance Government Fraud

☒ Post Reply

Thread Tools Display Modes 2

08 13 2010, 11:15 AM

1

**lauracer**  
Junior Member



Join Date: Jun 2010  
Posts: 2

Chase HAMP Denied - class action for fraud?

[permalink](#)

**Chase Loan Modification**

We Are Here To Help. 1-800-690-0720  
[www.ModHelpNow.info](http://www.ModHelpNow.info)

**The Anti-Fraud Solution**

Detect and Stop Online Fraud Now. See a  
Free Demo of FraudView Now.  
[www.ArcSight.com/FraudView](http://www.ArcSight.com/FraudView)

I am 16 months into a Chase HAMP trial modification, am a perfect candidate for a modification (I make sufficient money for the modified loan, never late, etc.) and I was told Friday that my application is denied. (for trumped up reasons, i.e., my documents weren't up to date -- the operator insisted that I was supposed to update ALL my documents every 60 days, even though this is not stated anywhere and was never told to me all this time until now. So, I'm done, I'm denied, game over after 16 months of this).

Ads by Google

Therefore, Chase is churning in the worst way. Offering a 3-month trial

#10

**MAKING  
HOME  
AFFORDABLE**



**Need help  
with your  
mortgage?**

Call the  
Homeowner's  
HOPE™ Hotline  
or visit  
MakingHome  
Affordable.gov

**888-995-HOPE**

Homeowner's HOPE Hotline

...fines, fees, and delinquencies, which of course now I can't pay. This amounts to fraud under anyone's definition.

Please write to me if there is movement toward a class action lawsuit against Chase for fraud under the Affordable Homes program. They are clearly using it to their advantage racking up additional fees and fines they can collect for as long as possible before denying.

**Should I Short Sale?**

Free E-Book. Facing Foreclosure? Notice of Default? Walk Away Now.  
shortsalesduo.com

**Income Annuity Rates Now**

High Yielding Annuities to Compare Choose to Retire with Confidence  
Annuity-Rates.2Insure4Less.com

**No Int Paymnt for 90 Days**

Buy a Home & No interest payments for 3 months.OAC. FHA & VA Loans  
www.RANLife.com

**Kiel Mortgage Loans**

Home Ownership Could Be Easier Than You Thought. Get Started Today!  
www.KielMortgage.com

Ads by Google



08-18-2010 11:49 AM

2

**goldie**

Senior Member



Join Date: Nov 2009  
Location: CA  
Posts: 1,153  
0000000000

Re: Chase HAMP Denied - class action for fraud?

[permalink](#)

Quote:

Originally Posted by lauracac 2j

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Therefore, Chase is churning in the worst way. Offering a 3-month trial and then a determination, but instead stringing me along for 16 MONTHS amassing fines, fees, and delinquencies, which of course now I can't pay. This amounts to fraud under anyone's definition.

Please write to me if there is movement toward a class action lawsuit against Chase for fraud under the Affordable Homes program. They are clearly using it to their advantage racking up additional fees and fines they can collect for as long as possible before denying.

Have you complained to the office of the controller of currency or MHA compliance? Is your loan Fannie or Freddie owned? Have you escalated your case to the office of the president at Chase? Are you following up weekly?

This sounds like mortgage servicing fraud. They do deliberately string people along until the point of no return. There could be other issues with your loan too, such as assignment fraud, MERS involvement, etc., that could give you more causes of action if you did file suit. I know there is a class action in New York against Chase, but don't know about other states.

Here's a little tutorial on what the lenders are up to:

<http://freein90.s3.amazonaws.com/how...nd%20Clear.pdf>

I can't vouch for content, but this guy makes a lot of valid points and he is right on the money about some of them (like Chase has already been paid for your house several times over, so a foreclosure would be icing on the cake for them) and he is quite entertaining.



08-18-2010 11:49 AM

3

**diana0806**

Senior Member



Re: Chase HAMP Denied - class action for fraud?

[permalink](#)

Hey lauracac, i am tired of chase stringing me along for 31 months and during that time offering me mods that were horrible. Racking up late fees, interest ect ect. That they know i could never pay. I have been offered 4 in house loan mods and one was worst than the other. My lawyer this week is filing a federal lawsuit in nj for fraud against chase. The underwriter must have been smoking some strong stuff when he was putting together my offers. I am scared to death but it has to be done. I started

10

Join Date: Aug 2009  
Posts: 377  
00000000000

the whole time. But the bottom line he works for Chase and looks out for there best interest. So fight like hell. Get mad. Hang in there. We will prevail!!!!!!

[Quote](#)

Re: Chase HAMP Denied - class action for fraud?

#4

**litehouse01**  
Senior Member



Join Date: Sep 2009  
Location: By the Beautiful  
Chesapeake Bay  
Posts: 1,403  
00000000000

Re: Chase HAMP Denied - class action for fraud?

[permalink](#)

Documents are to updated on a regular basis....Whenever I got a new doc I faxed it to the number that would automatically put the docs in to my account. Its part of the process like it or not to update your information paystubs, bank statements etc.....we have all been there and all had to update so as not to get kicked off the program..when you do not update they kick you off the program. We ALL have had to update you will not get a mod without updating on a regular basis. I would always call and ask what else they needed from me to try and be sure I didn't miss a beat.....getting a modification is a very difficult journey to be sure.....best of luck to you

Choices Determine Outcome

[Quote](#)

Re: Chase HAMP Denied - class action for fraud?

#5

**1down1togo**  
Senior Member



Join Date: May 2010  
Location: Sac, CA  
Posts: 56  
00000000000

Re: Chase HAMP Denied - class action for fraud?

[permalink](#)

Also, being denied doesn't mean game over. You can try to have your case reopened, or you can always re-apply. Most of us have applied more than once.

It's not right, how the banks are handling it, but if you still have some fight left in you, you can keep going..

[Quote](#)

Re: Chase HAMP Denied - class action for fraud?

#6

**lauracec**  
Junior Member



Join Date: Jun 2010  
Posts: 2  
00000000000

Re: Chase HAMP Denied - class action for fraud?

[permalink](#)

THANK YOU ALL SO MUCH FOR REPLYING. The responses make me feel less alone (I'm a single mother of two adopted orphans and it's a lousy feeling, like I'm falling them) Fyi, of course I have been updating documents every month, as requested. Same documents over and over again. But just 2 weeks ago, I was told by a Chase rep. "no, we don't need anything else. we have everything we need." and then out of the blue, they deny me for not having up-dated document (which they never asked for and they deny that the guy two weeks ago said they didn't need anything at that time, and he said it with a witness in a 3-way conversation with me and Money Management (a supposed nonprofit HUD-certified "helper" -- some help they've been).

Thanks again. I prepared a spanking new app. last night and will try it all again. It's been SO much fun the first time around, why not start it all again!

Your support and tips are MUCH appreciated!

[Quote](#)

Re: Chase HAMP Denied - class action for fraud?

#7

**ansky**  
Senior Member



Join Date: Mar 2010  
Posts: 195  
00000000000

Re: Chase HAMP Denied - class action for fraud?

[permalink](#)

Quote:

Originally Posted by lauracec :

THANK YOU ALL SO MUCH FOR REPLYING. The responses make me feel less alone (I'm a single mother of two adopted orphans and it's a lousy feeling, like I'm falling them) Fyi, of course I have been updating documents every month, as requested. Same documents over and over again. But just 2 weeks ago, I was told by a Chase rep. "no, we don't need anything else. we have everything we need." and then out of the blue, they deny me for not having up-dated document (which they never asked for and they deny that the guy two weeks ago said they didn't need anything at that time, and he said it with a witness in a 3-way conversation with me and Money Management (a supposed nonprofit HUD-certified "helper" -- some help they've been).

Thanks again. I prepared a spanking new app. last night and will try it all again. It's been SO much fun the first time around, why not start it all again!

Your support and tips are MUCH appreciated!

106



documents every two months since they expire in 2 months and sent pay stubs, checking statements, updated hardship and 4506T every month. I would fax them and call 2 days later to make sure they were added to my file.

When you call they dont look deep into the file to see if anything is missing, My file was with underwriter many times and got kicked back for missing documents atleast once a month before I started sending documents before they asked for updated ones.

Quote

08/11/10, 12:04 AM

**leeandsarah**

Senior Member



Join Date: Nov 2009  
Posts: 30

Re: Chase HAMP Denied - class action for fraud?

[permalink](#)

Massachusetts currently has a class action suit against Chase for not fulfilling their three month obligation during trial modification. The National Consumer Law Center is acting as co-counsel. You can read the legal complaint on their website which may be informative, or just give them a call.

Quote

08/11/10, 12:04 AM

**LetsMakeADeal**

Senior Member



Join Date: Jan 2009  
Posts: 68

Re: Chase HAMP Denied - class action for fraud?

[permalink](#)

Great information! I was just denied after 16 months for the same thing even though I gave them everything they wanted the second they asked for it.

But I got information today from another poster that I will live by. I will automatically send them my package every month and if they screw with me again or play games....I have documentation that supports me even more.

Quote

08/11/10, 12:04 AM

**davephx**

Senior Member



Join Date: Jul 2009  
Posts: 4,035

Re: Chase HAMP Denied - class action for fraud?

[permalink](#)

Quote:

Originally Posted by [leeandsarah](#) §  
Massachusetts currently has a class action suit against Chase for not fulfilling their three month obligation during trial modification. The National Consumer Law Center is acting as co-counsel. You can read the legal complaint on their website which may be informative, or just give them a call.

But how does that help anyone else?

Most folks can not go out and pay a attorney maybe \$10,000 just to file a suit and maybe \$100k more over the next 5-10 years in litigation.

The NCLC in filing these cases could set legal precedent or it could be tossed but probably will not know for years long after HAMP is expired. I hope that is not the case but lawsuits are a very slow process with civil courts very backlogged in most jurisdictions.

I like the fact it helps get word out what the servicers are doing but that doesn't save homes for people that need mods know.

I have no idea how the litigation was financed but having a know national organization like NCLC behind you certainly helps! And gets media attention.

Sadly however the servicers are legally comitted to their shareholders to maximize profits not lose money by doing mods vs foreclosure sales with no law forcing them to lose money and do what is best of the entire U.S. economy. Without a law even though bailed out... they only work for their bottom line profit lead my the multi-million dollar salaried execs whose job is to make more millions for the shareholders.

Sadly that is reality despite all the Admin/Treasuries desparate attempts to get more mods done, the banks have no legal obligation to do so.

100b



Join Date: Mar 2010  
Posts: 195

Originally Posted by LetsMakeADeal

Great information! I was just denied after 16 months for the same thing even though I gave them everything they wanted the second they asked for it.

But I got information today from another poster that I will live by. I will automatically send them my package every month and if they screw with me again or play games....I have documentation that supports me even more.

Thats the only way to get it done. This was a suggestion to me from a Chase rep that was better than most. When I called for an update he said all documents were good. I told him that I hear this all the time but then I get a letter that something is missing. He said he would look deeper into my file and actually look at the documents. He was able to tell me which documents hit their 60 day end of life and which to resend.

The problem is your documents might be perfected (Heard this so many times) but when the file finally reaches the underwriter it could be 1-2 months later some documents might be outdated so it will get kicked back out of underwriting and you have to start over again.

Send in your bank statements, pay stubs, P&L's (If self employed) every month. Dont wait for them to ask. Also send in an updated hardship letter atleast every 2 months so they know that your hardship still exists.



Re: Chase HAMP Denied - class action for fraud?

#12

**menace**

Senior Member



Join Date: Apr 2010  
Posts: 900

Re: Chase HAMP Denied - class action for fraud?

[permalink](#)

You are not suppose to have to update your docs. The servicers are 'playing games' with HAMP rules. As long as your documents were less than 90 days old when you sent them, they don't need anymore. They are just looking for any excuse to deny your modification. If there is a document they need, they are suppose to send you a written notice before they can deny your modification. The documents required for HAMP are minimal- tax return, authorization to get tax transcripts, Hardship letter, paycheck documentation, and financial statement. The only thing that would change is pay amount, and they are suppose to use the info they prequalified you with. Everything else is constant- and they are required to check your credit report for things like credit card balance etc. They should be just asking if anything has changed, and if not, they don't need up dated docs.



Re: Chase HAMP Denied - class action for fraud?

#13

**ansky**

Senior Member



Join Date: Mar 2010  
Posts: 195

Re: Chase HAMP Denied - class action for fraud?

[permalink](#)

Quote:

Originally Posted by **menace**

You are not suppose to have to update your docs. The servicers are 'playing games' with HAMP rules. As long as your documents were less than 90 days old when you sent them, they don't need anymore. They are just looking for any excuse to deny your modification. If there is a document they need, they are suppose to send you a written notice before they can deny your modification. The documents required for HAMP are minimal- tax return, authorization to get tax transcripts, Hardship letter, paycheck documentation, and financial statement. The only thing that would change is pay amount, and they are suppose to use the info they prequalified you with. Everything else is constant- and they are required to check your credit report for things like credit card balance etc. They should be just asking if anything has changed, and if not, they don't need up dated docs.

Not sending updated docs will get you denied. If you want to save your home and get a modification keep your documents updated. NO ONE has received a modification within 90 days. Your documents will get outdated and if not updated you will get denied. Be pro-active and you will win the battle. It took me 17 months to get my modification and I am not alone. I think the earliest I have seen is 5-6 months. Keep your documents updated!



Re: Chase HAMP Denied - class action for fraud?

#14

**menace**

Senior Member



Join Date: Apr 2010

Re: Chase HAMP Denied - class action for fraud?

[permalink](#)

I was just stating what the HAMP requirements are, not that the banks follow them.

10c

06/02/2010, 01:11 PM

#15

**Rubylee**

Member

Join Date: Jun 2010  
Posts: 6

## Re: Chase HAMP Denied - class action for fraud?

[permalink](#)

We were in the middle of a loan mod when we got the foreclosure notice stapled on our home...we called Chase they said to ignore it and we continued with the loan mod. Then a Real Estate agent told me our home WAS sold the end of July 2009. We then again called Chase and they told us that our loan mod was done and we were fine and if it was sold it would be re instated...once again we believed them. Our loan mod documents showed up via Fed ex in August 2009 and we have made our payments until April of 2010 when we were served an Eviction notice by a bank who bought it back in July of 2009!!...Now we had to hire an attorney since Chase was collecting our money and billing us and on paper the house isn't theirs...it belongs to Federal Home Bank... so now what??? The attorney got the eviction stopped for now but Chase won't respond to his letters...we still are living here but Chase isn't getting anymore of our money until I know where it is going.

QUOTE

06/02/2010, 11:05 AM

#16

**HelloNjChase**

Member

Join Date: Jun 2010  
Posts: 23

## Re: Chase HAMP Denied - class action for fraud?

[permalink](#)

I'm in /I'm in Nj > Chase has the same story all over. let me know if there is a class action vs chase in NJ. Pm me if there is.

PM Me if you have any info we can share.

- 9 months of being dragged via loan modification
- Finally to come to a Denial of insufficient income ( May 10 )
- Did not pay my June Payment \$2900
- Received Foreclosure Notice
- How much time do I have
- What Can I do ? I want to keep my 1st home
- Need cheap lawyer in NJ

I Hate

Chase Bank  
Manufacturer Hanover Trust  
Chemical Bank  
JP Morgan Chase

QUOTE

08/02/2010, 05:10 AM

#17

**diana0806**

Senior Member

Join Date: Aug 2008  
Posts: 377  
00000000000000000000

## Re: Chase HAMP Denied - class action for fraud?

[permalink](#)

Hey nj, i live in nj and i am suing chase for fraud as we speak. My lawyer tried to contact chase via certified letters to different parts of this black hole to see if they want to work this out before case goes to court. No response. So she is about to file a fraud case. My congressmans lawyer said i have a great case. I have been battling this black hole for almost 3 years. I will keep all updated. We will prevail!!!!!!!!!!!!!!

QUOTE

07/31/2010, 05:11 AM

#18

**breatheasy**

Senior Member

Join Date: Feb 2010  
Posts: 39

## Re: Chase HAMP Denied - class action for fraud?

[permalink](#)

Hey Leeannsarrah,  
What is the website? I am in Mass. and the same thing is happening to me. I am so overwhelmed with Chasing around.

QUOTE

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## **Truth In Lending Act Case Law**

**Truth in Lending Act was passed to prevent unsophisticated consumer from being misled as to total cost of financing.** Truth in Lending Act, Section 102, 15 U.S.C. Section 1601. Griggs v. Provident Consumer Discount. 680 F.2d 927, certiorari granted, vacated 103 S.Ct. 400, 459 U.S. 56, 74 L.Ed.2d 225, on remand 699 F.2d 642.

**Purpose of Truth in Lending Act is for customers to be able to make informed decisions.** Truth in Lending Act Section 102, 15 U.S.C. Section 1601. Griggs v. Provident Consumer Discount Co. 680 F.2d 927, certiorari granted, vacated 103 S.Ct. 400, 459 U.S. 56, 74 L.Ed.2d 225, on remand 699 F.2d 642,

**Truth in Lending Act is strictly a liability statute liberally construed in favor of consumers.** Truth in Lending Act Section 102 et seq., 15 U.S.C. Section 1601 et seq. Brophy v. Chase Manhattan Mortgage Co, 947 F.Supp. 879.

**Truth in Lending Act should be construed liberally to ensure achievement of goal of aiding unsophisticated consumers so that consumers are not easily misled as to total costs of financing.** Truth in Lending Act, Sections 102 et seq, 102(a), 105 as amended, 15 U.S.C. Sections 1601 et seq., 1601(a), 1604; Truth in Lending Regulations, Regulation Z, Sections 226.1 et seq., 226.18, 15 U.S.C. Section 1700, Basile v. H&R Block. Jlt(L. 897 F.Supp. 194.

**Truth in Lending Act must be strictly construed and liability imposed for any violation, no matter how technical.** Truth in Lending Act Section 102 et seq., as amended, 15 U.S.C. Section 1601 et seq, Abele v. Mid-Penn Consumer Discount. 77 B.R. 460, affirmed 545 F.2d 1009.

**Truth in Lending Act must be liberally construed to effectuate remedial purposes of protecting consumer against inaccurate and unfair credit billing and credit card practices and of promoting intelligent comparison shopping by consumers contemplating the use of credit by full disclosure of terms and conditions of credit card charges,** Truth in Lending Act Section 102 et seq, as amended, 15 U.S.C. Section 1601 et seq Lifschitz v. American Exp. Co. 560 F.Supp. 458

**To qualify for protection of Truth in Lending Act [15 U.S.C. Section 1601 et seq.], plaintiff must show that disputed transaction was a consumer credit transaction not a business transaction,** Truth b Lending Act, Section 102 et seq., 15 U.S.C. Section 1601 et seq. Quino v. A-I CreditCom. 635 F.Supp. 151

**Requirements of Truth in Lending Act are highly technical, but full compliance is required; even minor violations of Act cannot be ignored.** Truth in Lending Act

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# Federal home-loan plan is no relief, critics say

By PETER S. GOODMAN  
The New York Times

The Obama administration's \$75 billion program to protect homeowners from foreclosure has been widely pronounced a disappointment, and some economists and real-estate experts contend it has done more harm than good.

Since President Obama announced the program in February, it has lowered mortgage payments on a trial basis for hundreds of thousands of people but has largely failed to provide permanent relief. Critics increasingly argue that the program, making home affordable, has raised

## Borrowers FROM A U.S. LOAN EFFORT

### It fails to relieve distressed borrowers, critics say

process through which borrowers give up unaffordable homes and banks fully reek on with their disastrous bets on real estate, enabling money to flow more freely through the financial system. "The choice we appear to be making is trying to modify our way out of this, which has the effect of lengthening the crisis," said Kevin Karant, managing member of Water-shed Asset Management, a San Francisco-based hedge fund. "We have simply slowed the foreclosure pipeline, with people staying in line, with people they are ultimately not going to be able to afford

false hopes among people who can't afford their homes. As a result, homeowners have sent payments to banks in often-futile efforts to keep their homes, which some see as wasting dollars they could have saved in preparation for moving to cheaper rental residences. Some borrowers have seen their credit tarnished while falsely assuming that loan modifications involved no negative reports to credit agencies.

Some experts argue the program has impeded economic recovery by delaying a wrenching, yet cleansing, See > BORROWERS, A4

have been using temporary loan modifications under the Obama plan as justification to avoid an honest accounting of the mortgage losses on their books. Only after banks are forced to acknowledge losses and the real-estate market absorbs a pent-up surge of foreclosed properties will housing prices drop to levels at which enough Americans can afford to buy, he said.

"Then the carpenters can go back to work," Karant said. If this drips out over the next few years, that whole sector of the economy isn't going to recover. The Treasury Department publicly maintains that its program is on track. "The program is meeting its intended goal of providing immediate relief to homeowners across the country," a department spokeswoman, Meg Reilly, wrote in an e-mail.

Behind the scenes, Treasury has

concluded that growing numbers of delinquent borrowers lack enough income to afford their homes and must be eased out.

In late November, the Treasury Department started the Foreclosure Alternatives Program, through which it will encourage arrangements that result in distressed borrowers surrendering their homes.

The program will pay incentives to mortgage companies that allow homeowners to sell properties for less than they owe on their mortgages, short sales, in real-estate parlance. The government will also pay incentives to mortgage companies that allow delinquent borrowers to hand over their deeds in lieu of foreclosing. Reilly said the foreclosure-alternatives program did not represent a new policy. "We have said from the start that modifications will not be the solution for all homeowners and will not solve the home-

look at the yellowed area. In purposely did 3 to 5 months to pull homes into foreclosure. See us.

ing crisis alone," she said by e-mail.

Whatever the merits of its plans, the administration has clearly failed to reverse the foreclosure crisis.

In 2008, more than 1.7 million homes were "lost" through foreclosures, short sales or deeds in lieu of foreclosure, according to Moody's Economy.com. In 2009, more than 2 million homes were lost, and Economy.com expects that this year's number will swell to 2.4 million.

"I don't think there's any way for Treasury to tweak their plan, or to capole, presure or entice servicers to do more to address the crisis," said Mark Zandi, chief economist at Moody's Economy.com. Zandi said the administration needs a new initiative that attacks a primary source of foreclosures: the roughly 15 million American homeowners who are underwater, meaning their debts are higher

more than their home is worth.

Increasingly, such borrowers are inclined to walk away and accept foreclosure, rather than continuing to make payments on properties in which they own no equity. Zandi proposes the Treasury Department push banks to write down some loan balances by reimbursing the companies for their losses. He rejects the notion that government ought to get out of the way and let foreclosures work their way through the market, saying that course risks a surge of foreclosures and declining house prices that could pull the economy back into recession.

"We want to overwhelm this problem," he said. "If we

do go back into recession, it will be very difficult to get out."

Under the current program, the government provides cash incentives to mortgage companies that lower monthly payments for borrowers facing hardships. The Treasury Department set a goal of 3 million to 4 million permanent loan modifications by 2012. As of mid-December, some 759,000 homeowners had received loan modifications on a trial basis, typically for about 30 to 60 months. But only about 25,000 had received permanent modifications, a step that requires borrowers to make timely payments and submit paperwork verifying their financial situation.



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Reporting

## Lehman Bankruptcy Report: Top Officials Manipulated Balance Sheets, JPMorgan And Citi Contributed To Collapse

First Posted: 03-11-10 04:47 PM | Updated: 03-12-10 08:38 AM

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What's Your Reaction?

***Scroll down to read the first part of the report***

The examiner in charge of investigating the collapse of venerable Wall Street investment house Lehman Brothers, the most expensive bankruptcy in U.S. history, said in a report publicly released Thursday that senior officials failed to disclose key practices, opening them up to legal claims, and that JPMorgan Chase and Citigroup contributed to the firm's collapse. In addition, the report concludes that the firm's auditor, Ernst & Young, failed to meet "professional standards."

The exhaustive report was unsealed today by Judge James M. Peck, who said the report reads "like a best-seller."

The examiner, Anton Valukas, also found that parties have claims to pursue against JPMorgan Chase and Citibank in connection with their behavior regarding the modification of agreements with Lehman and their increasing collateral demands in Lehman's final days. These demands had a "direct impact" on Lehman's diminishing liquidity – its cash on hand – which was a prime reason behind the firm's demise.

"Citi is reviewing the report, which is over 2,000 pages long, but notes that, based on its preliminary review, the examiner has not identified any wrongdoing on Citi's part – or anything that would suggest that Citigroup helped cause Lehman's collapse," said Danielle Romero-Apsilos, director of corporate affairs for Citi Institutional Clients Group.

The examiner's report notes:

The business decisions that brought Lehman to its crisis of confidence may have been in error but were largely within the business judgment rule.

But the decision not to disclose the effects of those judgments does give rise to colorable claims against the senior officers who oversaw and certified misleading financial statements – Lehman's CEO Richard S. Fuld, Jr., and its CFOs Christopher O'Meara, Erin M. Callan and Ian T. Lowitt.

Story continues below

There are colorable claims against Lehman's external auditor Ernst & Young for, among other things, its failure to question and challenge improper or inadequate disclosures in those financial statements.

13

The examiner notes that the issue giving rise to these potential claims was Lehman's creative use of repurchase agreements, otherwise known as repo. These are agreements between financial firms that essentially act as loans for cash -- one firm pledges collateral to another in exchange for cash with a promise that they'll buy back that collateral.

The examiner said the sole function of Lehman's use of repo was "balance sheet manipulation," according to the report:

Although Repo 105 transactions may not have been inherently improper, there is a colorable claim that their sole function as employed by Lehman was balance sheet manipulation. Lehman's own accounting personnel described Repo 105 transactions as an "accounting gimmick" and a "lazy way of managing the balance sheet as opposed to legitimately meeting balance sheet targets at quarter end." Lehman used Repo 105 "to reduce balance sheet at the quarter-end."

The reason for that, the report notes, was to lower Lehman's leverage -- a critical component of the firm's credit rating.

In 2007-08, Lehman knew that net leverage numbers were critical to the rating agencies and to counterparty confidence. Its ability to deleverage by selling assets was severely limited by the illiquidity and depressed prices of the assets it had accumulated.

Against this backdrop, Lehman turned to Repo 105 transactions to temporarily remove \$50 billion of assets from its balance sheet at first and second quarter ends in 2008 so that it could report significantly lower net leverage numbers than reality.

Lehman did so despite its understanding that none of its peers used similar accounting at that time to arrive at their leverage numbers, to which Lehman would be compared...

Lehman's failure to disclose the use of an accounting device to significantly and temporarily lower leverage, at the same time that it affirmatively represented those "low" leverage numbers to investors as positive news, created a misleading portrayal of Lehman's true financial health.

Colorable claims exist against the senior officers who were responsible for balance sheet management and financial disclosure, who signed and certified Lehman's financial statements and who failed to disclose Lehman's use and extent of Repo 105 transactions to manage its balance sheet.

But Lehman wasn't alone in its gimmickry. The firm's auditor, Ernst & Young, one of the four biggest auditing firms in the world, failed in its oversight role:

In May 2008, a Lehman Senior Vice President, Matthew Lee, wrote a letter to management alleging accounting improprieties; in the course of investigating the allegations, Ernst & Young was advised by Lee on June 12, 2008 that Lehman used \$50 billion of Repo 105 transactions to temporarily move assets off balance sheet and quarter end.

The next day -- on June 13, 2008 -- Ernst & Young met with the Lehman Board Audit Committee but did not advise it about Lee's assertions, despite an express direction from the Committee to advise on all allegations raised by Lee.

Ernst & Young took virtually no action to investigate the Repo 105 allegations. Ernst & Young took no steps to question or challenge the non-disclosure by Lehman of its use of \$50 billion of temporary, off-balance sheet transactions.

Colorable claims exist that Ernst & Young did not meet professional standards, both in investigating Lee's allegations and in connection with its audit and review of Lehman's financial statements.

13a

In all, more than 250 individuals were interviewed:

There was only one individual the Examiner sought to interview but could not. The Examiner requested an interview with Hector Sants, chief executive of the UK's Financial Services Authority ("FSA"), to discuss the FSA's involvement in the events of Lehman Weekend and the Barclays transaction. The FSA considered the request, but did not make Mr. Sants available for an interview. However, the FSA did provide detailed, written answers to specific questions that would have been posed to Mr. Sants.

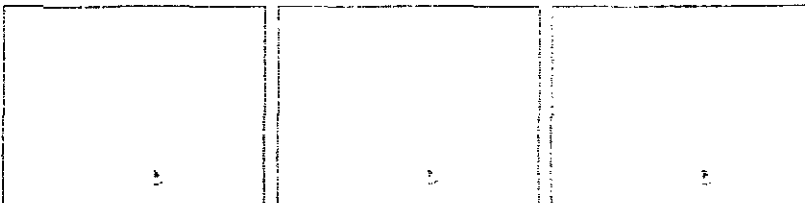
READ the first part of the 2,200-page report (the full report is here):

LehmanVol1

Videos

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CBS News

Lehman  
Probed

Brothers

USA Today

M.J. Lehman, owner of  
Nicky Nicoles, tells us  
about her shop and  
what ... /

CBS News

Lehman Brothers Fate  
Uncertain

Report Corrections

More in Business...

Comments

2,918

Pending Comments

n

13b

### JUST IN: WILL THIS BE ONE OF THE LAST SHOES TO DROP?

California is following in the footsteps of Tennessee. Recent Sup. Ct. rulings held that MERS is not the holder in due course (real party in interest) of any property and never was. This can have devastating repercussions for the mortgage industry, not just MERS, because there is no valid chain of title. People who are being foreclosed upon, or have been foreclosed upon, now have an equitable remedy. These people should now be able to win in court and have their mortgage nightmares settled. Some people are able to keep their homes, as banks fear losing far more in class-action suits. Now California is getting in on the action and suing MERS for filing false records in every county in the state since MERS began over 10 years ago. Carrying a possible fine of \$5-\$10K a pop, this could amount to millions and possibly billions of dollars in penalties against MERS. This is money the counties desperately need. This could mean that anyone with a mortgage may have it immediately settled and the true owner will get the title free and clear due to fraud, which has no statute of limitation. Lawful owners will have recourse to sue for fraudulent foreclosure. Let's see what happens.

Read the complaint...

#### Top Banks Conspired to Defraud Taxpayers

#### Regaining the Wonderful Life of Homeownership Post-Foreclosure

Cleveland Housing Judge Raymond Pianka requiring negligent property owners to pay victim restitution to neighbors

#### Fight The Mortgage Servicers Who Bring These Foreclosure Actions

BOMBSHELL: CLASS ACTION OPEN FOR EVERY CONSUMER WHO HAS BEEN SUED BY DAVID J. STERN

#### VOTE FOR ELIZABETH WARREN TO HEAD NEW CONSUMER PROTECTION AGENCY

#### OUT-RAGE-OUS!

Instead of receiving prison sentences, Bank executives responsible for stealing millions of homes and creating the foreclosure/financial crisis received \$1.6 billion in overpaid bonuses.

Read more...

Foreclosure Judges must understand they may be giving away a free house to IMPOSTERS.

What sort of "backlog" will the Courts experience when more than 190% OF THESE CASES MUST BE REVERSED?

CAMBRIDGE INVESTORS SUE THE FRAUDSTER CLAN



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### **Jurisdictionary®**

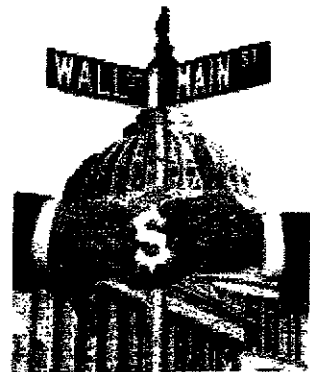


The Brown Bailout...  
Why Is Congress Playing Favorites?  
And How Does This Impact You?  
[youtube.com/brownbailout](http://youtube.com/brownbailout)

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**REVERSE**  
**ROB**  
**How**  
**Washington Mutual Bank**  
**Robs YOU!**  
**Want to Lose Your Home?**  
**Get a Loan With Washington Mutual!**

### **Reform Now**



### **Follow the Vote**

Wall Street Reform Amendment Guide

#### UNBELIEVABLE FORECLOSURE STORY!

#### FORECLOSURE CASE KILLER - THE SUBPOENA DUCES TECUM

#### THE SIDEBAR | WHAT IS AN ASSIGNMENT OF MORTGAGE

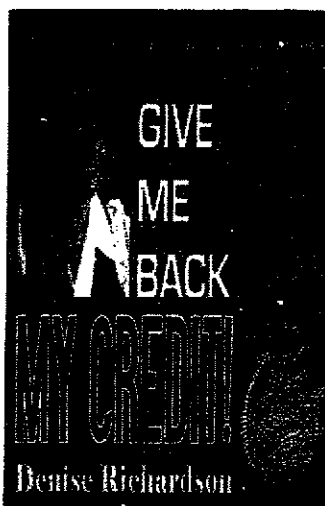
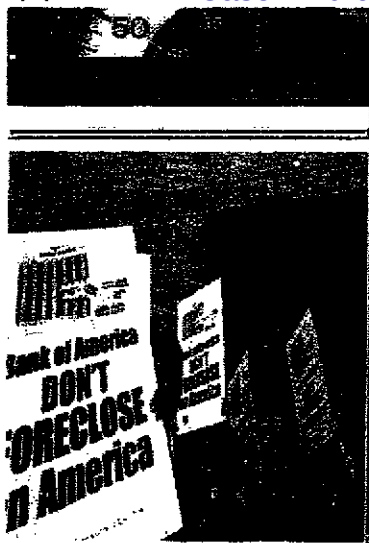
#### LOAN MODIFICATION ATTORNEYS UNDER INVESTIGATION

#### Why There Is More Pain to Come

#### Following Up On Foreclosures

#### Getting Back Your Home AFTER Foreclosure Sale

14



Petition for monthly statements

● [Click here](#) ●



**MORTGAGE FRAUD**  
**THE NEW STREET HUSTLE**  
**Chicago Tribune interactive series**

"What they are doing to these people is despicable, and it is absolutely wrong."

**Senator Barbara Mikulski (D-Md)**

"The bank had engaged in "harsh, repugnant, shocking and repulsive" treatment of the homeowner"

**Justice Spinner**

"Newspapers, FBI, Justice, etc."

## THE POWER HOUR

"Foreclosed Upon"

Go to July 8, 2010 and click on Hour 2. Start that counter at 9:00

MERS Sued On FRAUD Charges.

They Keep Stealing - Why Keep Paying?

EVIDENCE OF FORECLOSURE MONEY MOVING OFF-SHORE

MERS sued for fraud, BILLIONS in penalties in Nevada, California

Due to findings of [mortgage fraud] and [underwriting deficiencies] in the mortgage origination process and [misrepresentation] in the packaging of mortgages, banks have been experiencing a drastic increase in the number of repurchase demands they are receiving.

The SEC Just Demanded More Information On JPMorgan Repurchase Liabilities

Judge Vacates Final Judgment and Sale - Foreclosure Courts are Courts of Equity!

Judge Rondolino said, "because ... I don't have any confidence that any of the documents the court's receiving on these mass foreclosures are valid."

MERS was not authorized to assign anything.

There is No judicial review, No oversight and, as a result, No due process... even for those who have done nothing wrong!

BOMBSHELL! - Judge Orders Injunction Stopping ALL Foreclosure Proceedings by Bank of America; Recontrust; Home Loan Servicing, New Line Mortgage, MERS, et al

Bill to Prevent Avoidable Foreclosure Clears California Senate

"One of the oldest principles of law is that a right without a remedy is no right at all," said Lisa Sitkin, staff attorney at Housing and Economic Rights Advocates in Oakland. "In order for laws to be meaningful, violations must have real consequences, and victims must have real avenues to seek redress."

Mortgage fraud is a key focus of the Financial Fraud Enforcement Task Force's efforts. The task force is working to improve efforts across the federal executive branch, and with state and local partners, to investigate and prosecute significant financial crimes, ensure just and effective punishment for those who perpetrate financial crimes, and recover proceeds for victims of financial crimes.

U.S. Department of Justice

U.S. Sen. Al Franken's proposed Homeowners' Advocate Office needs advocates - now!

Foreclosure proceeding and the Mockery of Justice

Foreclosures- The End Game of Wall Street's Fraud, Lies and Deceit

**WHO CAN LEGALLY ENFORCE A MORTGAGE AFTER A "LANDMARK" CASE?**

CASE?

Finding the Fraud in the Loan Documents

DOUBLE FUNDING, FABRICATION OF DOCUMENTS AND FORGERY OF SIGNATURES REVEALED

Basic Foreclosure Litigation Defense Manual

HOW THE FBI BLEW IT

The Banks and Our Government continue to cover up the FRAUD

SHOW SOME OF THAT GOOD OLD AMERICAN OUTRAGE! DON'T LEAVE YOUR HOME, STOP BLAMING YOURSELF FOR WHAT YOU DIDN'T DO, AND TAKE RESPONSIBILITY FOR WHAT YOU CAN DO — KEEP YOUR HOME!!

FEDERAL RESERVE IS A PONZI SCHEME.

FRAUD AND GREED OF TRUSTED RATING AGENCIES HELPED SPREAD THE CREDIT CRISIS

It's VINDICATION, NOT WAR

PENDING CLASS-ACTION LAWSUITS

**Buyer Beware: Listen**  
**Avoiding Predatory Lenders**

**I-Team FOCUS:**  
**MORTGAGE SERVICING COMPANIES**  
 **Former Ameriquest Workers Tell of Deception**

Read This If You Are Facing Foreclosure

## MERS



"Now, all of our pillaging is done electronically from MERS' centralized office."

» MERS is a SHAM says judge in



the amount of the Debtor's obligation to it out of thin air. There is no other explanation for the wildly divergent figures it concocted."

2002 WL 1586325 (Bankr.D.Mass.)

The arbitrator found EMC's conduct "prejudicial and outrageous and in total disregard of the State's legal rights."

(Kansas City Star)

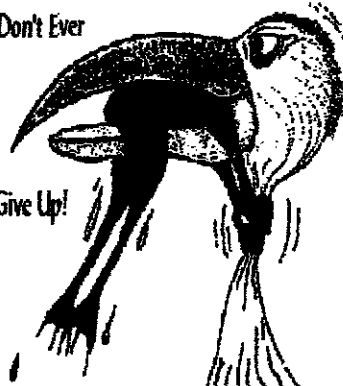
## Homes, credit in peril

"I don't know what they did with our money"  
— Homeowner Gail White



Don't Ever

Give Up!



### Ocwen lacks Standing to Foreclose:

#### (Separation of Note & Mortgage is Fatal)

"In the event that the note and the deed of trust are split, the note, as a practical matter becomes unsecured. The practical effect of splitting the deed of trust from the promissory note is to make it impossible for the holder of the note to foreclose, unless the holder of the deed of trust is the agent of the holder of the note. Id. Without the agency relationship, the person holding only the note lacks the power to foreclose in the event of default. The person holding only the deed of trust will never experience default because only the holder of the note is entitled to payment of the underlying obligation. Id. The mortgage loan became ineffectual when the note holder did not also hold the deed of trust." *Bellistri v. Ocwen*

#### Predatory Mortgage Servicing Fraud – First of a Series

By George W. Mantor RISMEDIA, April 6, 2010—It's been more than three years since I wrote an article about mortgage servicing fraud. I'm a little older, but it's still alive and thriving. Since then, we've had a complete meltdown of our financial system, a thorough looting of the American tax payer, the destruction of the middle class, and just about every other indicator of quality of life has tanked alarmingly.

At the same time, financial intermediaries were able to reap huge profits, receive TARP funds to which they were not entitled and didn't need because they had no real losses, and funneled it all into bonuses that catapulted number crunchers to oil Sheikdom wealth.

This didn't happen by circumstance, but is instead part of a large and well-organized fraud wherein all of the evidence points directly back to "too big to fail institutions" that are, apparently, too big to prosecute as well.

[Read more...](#)

CITIGROUP EXEC LIED... HE KNEW IN 2006!

[American Casino movie trailer from Leslie and Andrew Cockburn on Vimeo.](#)

[Bombshell: Substantiated Allegations of Foreclosure/Affidavit](#)

#### » MERS Twilight Zone

» [MERS was not authorized to assign anything.](#)

» [Search MERS to see if the owner or investor of your note is listed.](#)

» [MERS Depositions](#)

» [EXCELLENT MERS ANALYSIS: ILLEGAL SCHEME TO AVOID/EVADE STATE LAW, TAXES, FEES, FINES, PENALTIES](#)

» [MERS and CITI are not Real Parties in Interest](#)

» [MERS Admits NO Interest in Mortgage and No Loss On Default](#)

» [A Florida Solution to the MERS Mortgage Foreclosure Crisis & Fiasco and why Every Foreclosure of a MERS Mortgage done in Florida deserves to be REVERSED.](#)

» [How to Attack MERS and WIN!](#)

» [Has A MERShole Opened Up?](#)

» [MERS DOES NOT HAVE STANDING](#)

» [MERS - relief from stay Denied](#)

» [Kansas Supreme Court Knocks Out MERS](#)

» [Nevada BK Court Knocks Out MERS](#)

» [MERS loses again. This time in Texas](#)

» [MERS loses in Idaho](#)

» [MERS Accused of Illegal Shortcuts to Speed Foreclosures](#)

» [The MERS Experience](#)

» [MERS Affidavits \(Girdvains case\)](#)

» [Supplemental Order \(Girdvains case\)](#)

» [MERS hearing transcript 1](#)

» [MERS hearing transcript 2](#)

» [Why You Don't Owe The Money](#)

» [Obtaining Due Process in Non-Judicial Foreclosure States](#)

» [ABUSIVE LENDERS AND BROKERAGES THAT FINANCE THEIR DEALS](#)

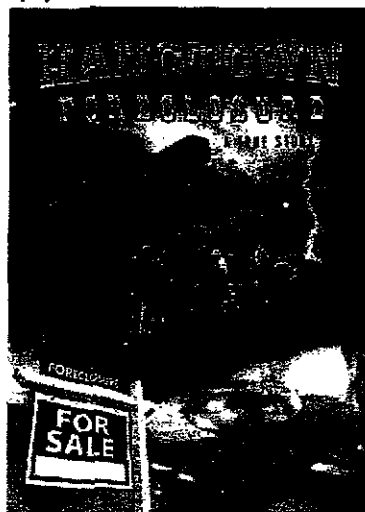
» [99 YEARS for Mortgage Fraud](#)

» [Show Me the Original Note and I Will Show You the Money](#)

» [The Lack of Evidentiary Foundations Fosters Fraud](#)

» [Transforming Homeowner Violence Into A Mortgage War Plan](#)

» [Protest stops eviction by Bank of America](#)



See the true story of a family who put the system to the test in their small town and discovered foreclosure fraud was being reversed up there too.

In the American People's struggle against banks and credit the balance of the economy is lost by inflation and finally deflation. The banks and corporations that will grow up around this will deprive the People of all their property and their children will wake up homeless on the streets. This is the reality of the current situation. *Robert Jefferson*

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## Fraud

Lehman Bankruptcy Report: Top Officials Manipulated Balance Sheets. JPMorgan And Citi Contributed To Collapse

Wells Fargo to pay homeowner \$155,092.00 for trespassing.

Two-year old Foreclosure case REVERSED

President of Bank of America is Requested to Disclose his Own Alleged Fraud to Audit Committee

Homeowner Wins \$51 Million Decision... finally!

"Another Rubber-Stamped Foreclosure Judgment Gets The Boot From Appeals Court: Trial Judge Fails To Apply Binding Precedent To Standing-Lacking Lender"

Widespread Assignment / Notary / Foreclosure Fraud - Deposition of Foreclosure Mill David Stern Employee Cheryl Sammons

Protesters Confront Schwarzenegger Demand he "TERMINATE FORECLOSURES"

● STOP Foreclosure FRAUD ●  
Here's How They Do It.

2/11/2010 Amendments To The Florida Rules of Civil Procedure regarding FORECLOSURES.

You can read the MBA's comments and Deficiency Bill here.

An Anarchist's Strategy To Dismiss Every Foreclosure In Florida.

It takes an Indiana Appellate Court to reverse and stop JPMorgan Chase/Ocwen's attempt to foreclose on a Chase discharged mortgage.

The People of New York v. Bank of America

MSFraud Forum Crosslinks, Findings and Case Citations add to Ohio Federal Court Case Discussions

Plaintiff Mortgage Electronic Registration Systems, Inc.'s foreclosure action is DISMISSED for lack of standing. Accordingly, the Court's Order, issued August 27, 2009, granting plaintiff's Motion for Default Judgment against the defendants Frank and Ellen Johnston is VACATED.

» Jury awards couple \$10.6 million in bank case

» Jury gives woman \$1.25M in lawsuit over mortgage

» \$3.4 Million Dollar Jury Verdict For Wrongful Foreclosure

» EMC Mortgage/JPMorgan Chase cleans out the wrong house!

» The CRIMINAL Case against BEAR STEARNS begins

» Who Owns My House?

» Mortgage fraud -the worst crime no one's heard of

» Supreme Court rules that campaign contributions can create perception of judicial bias

» Dozens of Cases Rolling in from Bankruptcy and Civil Courts Reversing Foreclosures, Evictions

» Misbehavior and Mistake in Bankruptcy Mortgage Claims

» 25 People to Blame for the Financial Crisis

» Have you been hurt by EMC Mortgage Corporation? You are not alone...

» Responding To The Foreclosure Crisis

» FTC check for EMC's ILLEGAL Practices

» Bear Stearns and EMC Mortgage to Pay \$28 Million to Settle FTC Charges of Illegal Mortgage Servicing and Debt Collection Practices

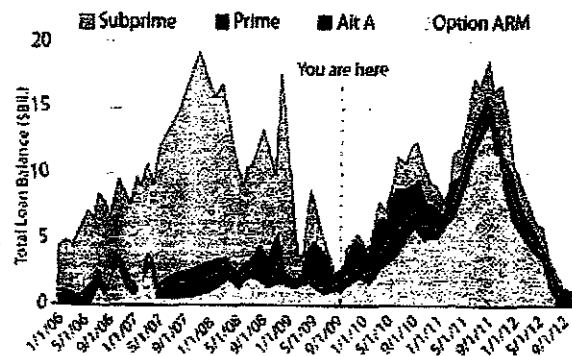
» Bear Stearns & EMC Agree to Pay \$28 Million in Settlement...but what about the homeowners who lost their homes due to EMC's fraud?

» BRINGING DOWN BEAR STEARNS

» The Housing and Economic Recovery Act of 2008 - Catherine Austin Fitts

## The Second Wave

Subprime resets crushed the housing market in '07 and '08. Now a new wave of adjustable rate mortgage resets is just around the corner.



**MOVE YOUR MONEY!**

**MOVE YOUR MONEY!**



**FLORIDA: FINAL REPORT AND RECOMMENDATIONS ON RESIDENTIAL MORTGAGE FORECLOSURE CASES**

» SCHUMER LIFTS VEIL ON PATTERN OF ABUSE BY MORTGAGE LENDERS LIKE COUNTRYWIDE

» Predatory Lenders' Partner in Crime - How the Bush Administration Stopped the States From Stepping In to Help Consumers

» Appeal of Ocwen Loan Servicing, LLC, and Moss, Codilis Stawski, Morris, Schneider & Prior

» UNITED STATES SECURITIES AND EXCHANGE COMMISSION BEING CHARGED WITH NEGLIGENCE IN MORTGAGE INDUSTRY

» Judges as Criminals - Circuit Court a Criminal Enterprise

» AG Swanson wants criminal penalties for unscrupulous lenders

» Firm ordered to end lending practices

» Losing Ground - A Report

» NIGHTMARE MORTGAGES

» FANNIE MAE FACADE

- Consent Order

» More Mortgage Lenders Targeted!

» The OCWEN Story - Part I & II

» EMC Mortgage investigation

» Ameritrust to Pay \$325 Million

» Limiting Abuse and Opportunism by Mortgage Servicers.

» Has Predatory Mortgage Servicing Destroyed the American Dream?

» Order Regarding Standing of MERS to Foreclose on Behalf of Others.

» Federal Judge Says Legal System Corrupt Beyond Recognition.



**DEUTSCHE BANK SUES BANK OF AMERICA !!!****Judge Blasts Bank's Foreclosure Conduct and Cancels Mortgage****Ohio Attorney General files complaint against American Home Mortgage****Mortgage debt waived after bank can't find paperwork****The Next Financial Crisis Hits Wall Street, as Judges Start Nixing Foreclosures****TYING IT TOGETHER: MASSIVE, PERNICIOUS FRAUD****Ruling could UNDO Thousands of Foreclosures****Bank(s) Lose When Judge Understands the Banks' Scam****Ohio Supreme Court Lets Wells Fargo v. Jordan Stand, Foreclosure Plaintiffs Who Do Not Own the Mortgage at the Time of Filing Lack Standing to Pursue Cases****SPECIAL FEATURE: Inside The Banking Crisis****BILL MOYERS JOURNAL****The Near Financial Collapse - One Year Later.****◆ LANDMARK DECISION ◆****MASSIVE RELIEF FOR HOMEOWNERS AND TROUBLE FOR THE BANKS****REVERSING DEFAULT****OMNIBUS MOTION OPENS NEW FRONTIER FOR DEFENSE OF FORECLOSURE****Foreclosure Judges Beware!****THE PROPOSAL TO HAVE THE VICTIMS OF BANK OF AMERICA'S VIOLATION PAY AN ADDITIONAL PENALTY FOR THEIR OWN VICTIMIZATION WAS ENOUGH TO GIVE THE COURT PAUSE****A SPRINGFIELD JUDGE'S RULING HAS THROWN THE ENTIRE MASSACHUSETTS FORECLOSURE MARKET INTO DISARRAY BY BOLSTERING CLAIMS THAT LENDERS IMPROPERLY SEIZED THOUSANDS OF BAY STATE HOMES.**

"[a] bank that was not the mortgagee when suit was filed cannot cure its lack of standing by subsequently obtaining an interest in the mortgage." "Thus, Wells Fargo Bank lacked standing to bring a foreclosure action against Jordan. As such, the trial court erred in granting summary judgment in favor of WFB because WFB was not entitled to judgment as a matter of law. We sustain Jordan's first assignment of error, reverse summary judgment, and order the trial court to dismiss the complaint without prejudice."

**WELLS FARGO VS. JORDAN****OHIO SUPREME COURT DECLINES JURISDICTION!**



**FORECLOSURE FRAUD and SECURITIES FRAUD are  
THE CAUSES OF THE ECONOMIC CRISIS!**

**BAIL OUT THE VICTIMS OF THE BANK'S FRAUD...  
NOT THE BANK'S FRAUD!**

**"The Faces of Foreclosure."**

**"The Perfect Crime."***When fully exposed, this will make Enron look like a parking ticket.**-MSFraud 2003-****From the transcript of evidentiary hearing - MERS v. Cabrera:***

"It truly concerns me, however, that thousands and thousands -- thousands and thousands of mortgage foreclosure actions have been filed with these allegations. I am not certain what remedy, if any, these people would have were it to be determined that MERS was not ever the proper party notwithstanding that these folks [might] have been in default what their recourse, if any, would be. I'm not certain with the satisfaction of mortgages that have been filed on behalf of MERS how good those are and I am not certain how good title to property is that people bought at these foreclosure sales if it turns or becomes established that MERS was indeed not only not the right party but misrepresented by way of their pleadings and affidavits that they held something they didn't own, so

I'm not certain of the consequences but it seems vast."

*- The Honorable Judge Jon Gordon - September 2005 (Emphasis added)*

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See Bellitri v. Ocwen OPINION below

The following comments are from O. Max Gardner III

### QUIET TITLE GRANTED

#### **Mortgage Declared Unenforceable in DOT Case: NOTE DECLARED UNSECURED**

"When MERS assigned the note to Ocwen, the note became unsecured and the deed of trust became worthless"

#### **Editor's Note:**

We know that MERS is named as nominee as beneficiary. We know that MERS is NOT named on the note. This appellate case from Missouri, quoting the Restatement 3<sup>rd</sup>, simply says that the note was split from the security instrument, and that there is no enforcement mechanism available under the Deed of Trust. Hence, the court concludes, quiet title was entirely appropriate and the only remedy to the situation because once the DOT and note are split they is no way to get them back together.

**NOTE: THIS DOES NOT MEAN THE NOTE WAS INVALIDATED. BUT IT DOES MEAN THAT IN ORDER TO PROVE A CLAIM UNDER THE NOTE OR TO VERIFY THE DEBT, THE HOLDER MUST EXPLAIN HOW IT ACQUIRED ANY RIGHTS UNDER THE NOTE AND WHETHER IT IS ACTING IN ITS OWN RIGHT OR AS AGENT FOR ANOTHER.**

The deed of trust, ...did not name BNC [AN AURORA/LEHMAN FRONT ORGANIZATION TO ORIGINATE LOANS] as the beneficiary, but instead names Mortgage Electronic Registration System (MERS), solely as BNC's nominee. *The promissory note does not make any reference to MERS.* The note and the deed of trust both require payments to be made to the lender, not MERS.

*a party "must have some actual, justiciable interest." Id. They must have a recognizable stake. Wahl v. Braun, 980 S.W.2d 322 (Mo. App. E.D. 1998). Lack of standing cannot be waived and may be considered by the court sua sponte. Brock v. City of St. Louis, 724 S.W.2d 721 (Mo. App. E.D. 1987). If a party seeking relief lacks standing, the trial court does not have jurisdiction to grant the requested relief. Shannon, 21 S.W.3d at 842.*

A Missouri appellate court, without trying, may have drawn a map to a defense to foreclosures-if borrowers can figure it out before the Missouri Supreme Court overturns the decision in Bellitri v Ocwen. The opinion shows how an assignment of a loan to a servicing company for collection can actually make the loan uncollectible from the mortgaged property.

This case concerns the procedures of MERS, which is short for Mortgage Electronic Registration Service, created to solve problems created during the foreclosute epidemic of the 1980s, when it

15

was sometimes impossible to track the ownership of mortgages after several layers of savings and loans and banks had failed without recording assignments of the mortgages. The MERS website contains this explanation:

MERS is an innovative process that simplifies the way mortgage ownership and servicing rights are originated, sold and tracked. Created by the real estate finance industry, MERS eliminates the need to prepare and record assignments when trading residential and commercial mortgage loans.

MERS is the named mortgage holder in transactions having an aggregate dollar value in the hundreds of billions, and its service of providing a way to trace ownership of mortgages has played a large role in the securitization of mortgages and the marketability of derivative mortgage-backed securities, because it seemed to eliminate the necessity of recording assignments of mortgages in county records each time the ownership of a mortgage changed, allowing mortgage securities (packages of many mortgages) to be traded in the secondary market, with less risk.

This case began as a routine quiet title case on a collector's deed, also known as a tax deed. Following the procedure by which people can pay delinquent property taxes and obtain the ownership of the delinquent property if the owner or lien holder fails after notice to redeem, Bellistri obtained a deed from the Jefferson County (Mo.) collector.

Because of the possibility of defects in the procedures of the county collectors and in the giving of proper notices, the quality of title conferred by a collector's deed is not insurable.

A suit to cure the potential defects (called a "quiet title suit") is required to make title good, so that the property can be conveyed by warranty deed and title insurance issued to new lenders and owners. The plaintiff in a quiet title suit is required to give notice of the suit to all parties who had an interest in the property identified in the collector's deed.

A borrower named Crouther had obtained a loan from BCN Mortgage. The mortgage document (called a deed of trust) named MERS as the holder of the deed of trust as BCN's nominee, though the promissory note secured by the deed of trust was payable to BCN Mortgage and didn't mention MERS.

Crouther failed to pay property taxes on the mortgaged property.

Bellistri paid the taxes for three years, then sent notice to Crouther and BNC that he was applying for a collector's deed. After BNC failed to redeem (which means "pay the taxes with interest and penalties," so that Bellistri could be reimbursed), the county collector issued a collector's deed to Bellistri, in 2006.

Meanwhile, MERS assigned the promissory note and deed of trust to Ocwen Servicing, probably because nobody was making mortgage payments, so that Ocwen would be in a position to attempt to (a) get Crouther to bring the loan payments up to date or (b) to foreclose, if necessary.



*But this assignment, as explained below, eliminated Ocwen's right to foreclose and any right to the property.*

Bellistri filed a suit for quiet title and to terminate any right of Crouther to possess the property. After discovering the assignment of the deed of trust to Ocwen, Bellistri added Ocwen as a party to the quiet title suit, so that Ocwen could have an opportunity to prove *that it had an interest in the property, or be forever silenced.*

Bellistri's attorney Phillip Gebhardt argued that Ocwen had no interest in the property, because the deed of trust that it got from MERS could not be foreclosed. As a matter of law, the right to foreclose goes away when the promissory note is "split" from the deed of trust that it is supposed to secure. The note that Crouther signed and gave to BNC didn't mention MERS, so MERS had no right to assign the note to Ocwen. The assignment that MERS made to Ocwen conveyed only the deed of trust, splitting it from the note.

**When MERS assigned the note to Ocwen, the note became unsecured and the deed of trust became worthless.** Ironically, the use of MERS to make ownership of the note and mortgage easier to trace also made the deed of trust unenforceable. Who knows how many promissory notes are out there that don't mention MERS, even though MERS is the beneficiary of the deed of trust securing such notes?

O. Max Gardner III



## In the Missouri Court of Appeals Eastern District

### DIVISION FIVE

ROBERT BELLISTRI,	)	No. ED91369
	)	
Respondents,	)	
	)	Appeal from the Circuit Court
v.	)	of Jefferson County
	)	
OCWEN LOAN SERVICING, LLC,	)	Honorable Mark T. Stoll
	)	No. 06JE-CC00893
Appellant.	)	
	)	FILED: March 3, 2009

### *Introduction*

The appellant, Ocwen Loan Servicing, L.L.C.<sup>1</sup>, (Ocwen) appeals from a judgment of the Circuit Court of Jefferson County quieting title to real estate commonly known as 1210 Airglades, Arnold, Missouri, 63010 (the property) in favor of Robert Bellistri. Both parties filed motions for summary judgment, and the circuit court held that Ocwen lacked standing to contest Bellistri's deed. For the following reasons, we affirm.

### *Facts*

On March 5, 2002, Glen Crouther purchased the property and executed a promissory note and a deed of trust. BNC Mortgage Inc. (BNC) was the lender and payee of the promissory note. In the deed of trust, Millsap, Singer & Dunn, P.C. was the

<sup>1</sup> Ocwen Loan Servicing, L.L.C. refers to Ocwen Loan Servicing, L.L.C., servicer for Deutsche Bank National Trust Company, as Trustee for the registered holders of the CDC Mortgage Capital trust 2002-HE1, as successor in interest to MERS, Inc.

15a

trustee. The deed of trust, however, did not name BNC as the beneficiary, but instead names Mortgage Electronic Registration System (MERS), solely as BNC's nominee. The promissory note does not make any reference to MERS. The note and the deed of trust both require payments to be made to the lender, not MERS.

During 2002, 2003 and 2004, Crouther failed to pay taxes. At the second offering delinquent tax sale, Bellistri, the respondent, purchased the property and was issued a certificate of purchase on August 22, 2005. On May 12, 2006, Bellistri sent BNC a notice of redemption as required under the Jones Munger Act, Section 140.405 RSMo. (2006).

On September 19, 2006, the collector of revenue of Jefferson County, Missouri issued Bellistri a collector's deed. After the issuance of the collector's deed, MERS, as nominee for BNC, assigned the deed of trust to Ocwen on April 4, 2007. The assignment of the deed of trust also contained language that this assignment also transferred any and all notes described in the deed of trust.

Bellistri filed the instant action seeking to quiet title and eject Crouther from the property. Initially, Bellistri named Crouther as a defendant and published notice for all other unknown persons with an interest in the property. Later, Bellistri filed a motion to add Ocwen as a necessary, if not indispensable party. The circuit court granted his motion. Ocwen and Bellistri filed cross motions for summary judgment. The circuit court denied Ocwen's motion and granted summary judgment in favor of Bellistri. Ocwen now appeals.

### ***Standard of Review***

Whether a motion for summary judgment should be granted is a question of law and our review is essentially de novo. *ITT Commercial Finance Corp. v. Mid-America Marine Supply Corp.*, 854 S.W.2d 371, 376 (Mo. banc 1993). Summary judgment is proper where the movant establishes the absence of any genuine issue of material fact and a legal right to judgment. *Id.* at 378. We will review the record in the light most favorable to the party against whom judgment has been entered. Facts set forth by affidavit or otherwise in support are taken as true unless contradicted by the non-moving party's response. *Id.* at 376. We will affirm the trial court's judgment if it is sustainable on any theory. *Citibrook II, L.L.C. v. Morgan's Foods of Missouri, Inc.*, 239 S.W.3d 631 (Mo. App. E.D. 2007).

### ***Points on Appeal***

On appeal, Ocwen argues that the trial court erred in entering summary judgment in favor of Bellistri because (1) Bellistri lost his interest in the property by failing to send MERS any notice pursuant to section 140.405; (2) the notice Bellistri sent to BNC misrepresented the redemption period and was therefore insufficient; (3) summary judgment should have been entered in its favor because Bellistri failed to comply with section 140.405; and (4) Ocwen had standing in this quiet title action because it was the named grantee on the assignment of the deed of trust.

### ***Discussion***

We will address the issue of standing first, as it is a jurisdictional matter antecedent to the right to relief. *Farmer v. Kinder*, 89 S.W.3d 447, 551 (Mo. banc 2002).

Standing refers to a party's right to seek relief. *Id.* It "requires that a party seeking relief have a legally cognizable interest in the subject matter and that he has a threatened or actual injury." *Eastern Missouri Laborers Dist. Council v. St. Louis County*, 781 S.W.2d 43, 46 (Mo. banc 1989). Standing requires the party to be sufficiently affected so as to ensure a justiciable controversy. *Shannon v. Hines*, 21 S.W.3d 839, 841 (Mo. App. E.D. 1999). Therefore, a party "must have some actual, justiciable interest." *Id.* They must have a recognizable stake. *Wahl v. Braun*, 980 S.W.2d 322 (Mo. App. E.D. 1998). Lack of standing cannot be waived and may be considered by the court sua sponte. *Brock v. City of St. Louis*, 724 S.W.2d 721 (Mo. App. E.D. 1987). If a party seeking relief lacks standing, the trial court does not have jurisdiction to grant the requested relief. *Shannon*, 21 S.W.3d at 842.

The Jones Munger Act, RSMo section 140.330, provides that one who acquires a collector's deed may bring an action to quiet title, naming as defendants "all parties who have, or claim to have, or appear of record in the county where such land or lot is situated, to have an interest in, or lien upon such lands or lots." Section 140.330. Here, Ocwen appears of record to have an interest in the property because it is the named grantee on the assignment of the deed of trust.

While this section allows broad joinder of defendants, a named defendant will not prevail unless the defendant has at least some interest in the property. *Scott v. Unknown Heirs of Solomon Garrison*, 235 S.W.2d 372, 374 (Mo. 1951). In *Scott*, the plaintiff claimed title by virtue of a tax deed. The plaintiff brought an action to quiet her title, and the defendant claimed he was the owner of the property. The defendant, however, failed to produce a recorded title. The defendant also never had possession and paid no taxes



on the property. He claimed he lost the deed, but had assumed a contract to purchase the property. The trial court found that the defendant had no right, title or interest to the property. On appeal, the defendant argued that the tax deed was void because the tax sale was so grossly inadequate as to amount to fraud. While the court agreed that the amount paid was so grossly inadequate as to be constructive fraud, they found that the defendant "did not have such an interest or claim of right to the property in question to challenge the sufficiency of the plaintiff's deed." *Id.*

Essentially, the *Scott* court found that the defendant lacked standing to invalidate the tax deed. The defendant lacked a legally cognizable interest in the property, and therefore he could not challenge the issuance of a collector's deed.

The same is true in the instant case. While Ocwen is the recorded grantee on the assignment of the deed of trust, it has no legally cognizable interest. Lacking such an interest, Ocwen is not entitled to the relief it seeks, namely, to dismiss Bellistri's petition and declare that the plaintiff has lost all interest in the real estate. Essentially, Ocwen is asking the court to quiet title in Crouther's name.

To seek this relief from the court, Ocwen must at least have an "interest" in the property. *Scott*, 235 S.W.2d at 374; *Thurmon v. Ludy*, 914 S.W.2d 32, 34 (Mo. App. E.D. 1995) On the assignment of the deed of trust, Ocwen is listed as the grantee, as servicer for Deutsche Bank National Trust Company, as Trustee for the registered holders of the CDC Mortgage Capital trust, 2002-HE1, Mortgage Pass-Through Certificates, Series 2002-HE1 (Deutsche Bank). We must turn to the law of mortgages to understand Ocwen's interest.

Generally, a mortgage loan consists of a promissory note and security instrument, usually a mortgage or a deed of trust, which secures payment on the note by giving the lender the ability to foreclose on the property. Typically, the same person holds both the note and the deed of trust. In the event that the note and the deed of trust are split, the note, as a practical matter becomes unsecured. Restatement (Third) of Property (Mortgages) §5.4. Comment. The practical effect of splitting the deed of trust from the promissory note is to make it impossible for the holder of the note to foreclose, unless the holder of the deed of trust is the agent of the holder of the note. *Id.* Without the agency relationship, the person holding only the note lacks the power to foreclose in the event of default. The person holding only the deed of trust will never experience default because *only the holder of the note is entitled to payment of the underlying obligation. Id.* The mortgage loan became ineffectual when the note holder did not also hold the deed of trust.

When the holder of the promissory note assigns or transfers the note, the deed of trust is also transferred. *George v. Surkamp*, 76 S.W.2d 368, 371 (Mo. 1934). An assignment of the deed of trust separate from the note has no "force." *Id.* Effectively, the note and the deed of trust are inseparable, and when the promissory note is transferred, it vests in the transferee "all the interest, rights, powers and security conferred by the deed of trust upon the beneficiary therein and the payee in the notes." *St. Louis Mut. Life Ins. Co. v. Walter*, 46 S.W.2d 166, 170 (Mo. 1931).

When it assigned the deed of trust, MERS attempted to transfer to Ocwen the deed of trust "together with any and all notes and obligations therein described or referred to, the debt respectively secured thereby and all sums of money due and to become due."

The record reflects that BNC was the holder of the promissory note. There is no evidence in the record or the pleadings that MERS held the promissory note or that BNC gave MERS the authority to transfer the promissory note. MERS could not transfer the promissory note; therefore the language in the assignment of the deed of trust purporting to transfer the promissory note is ineffective. *Black v. Adrian*, 80 S.W.3d 909, 914-15 (Mo. App. S.D. 2002) ("[A]ssignee of a deed of trust or a promissory note is vested with all interests, rights and powers possessed by the assignor in the mortgaged property"). MERS never held the promissory note, thus its assignment of the deed of trust to Ocwen separate from the note had no force. See *George*, 76 S.W.2d at 371. *St. Louis Mut. Life Ins. Co.*, 46 S.W.2d at 170.

As Ocwen holds neither the promissory note, nor the deed of trust, Ocwen lacks a legally cognizable interest and lacks standing to seek relief from the trial court. See *Scott*, 235 S.W.2d at 374. The trial court was without jurisdiction to grant Ocwen its requested relief, and did not err in granting summary judgment in Bellistri's favor.

#### ***Conclusion***

Ocwen lacked a legally cognizable interest in the property, and therefore, it has no standing to seek relief. We hereby affirm the judgment of the circuit court of St. Louis County.

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Nannette A. Baker, Chief Judge

Glenn A. Norton, J., and Kenneth M. Romines, J., concur.